



# Lincolnshire Association of Local Councils

## Internal Audit Checklist 2023/24

<b>Name of Parish or Town Council</b>	Great Gonerby		
<b>Parish Council website</b>	greatgonerbyonline.co.uk		
<b>Name of internal auditor</b>	Kirsty Sinclair		
<b>Date of audit</b>	15 December 23 to 7 <sup>th</sup> March 24		
<b>Type of audit (Please tick)</b>	Intermediate	<input checked="" type="checkbox"/>	Year-end (including AGAR)
<b>Council contact information</b>	<b>Name</b>	<b>Email</b>	
<b>Clerk</b>	Janet Walker	clerk@greatgonerbyparish.gov.uk	
<b>RFO* if different</b>	As above	As above	
<b>Chairman*</b>	Mark Selby	mark.selby@greatgonerbyparish.gov.uk	
<b>Electorate</b>		<b>Total number of seats</b>	11
<b>Quorum</b>		<b>Number of councillor vacancies</b>	0
<b>Precept Demand 2023/24</b>	28,836	<b>Gross Budget</b>	£48,030.00
<b>Date of most recent audit</b>	10 May 2023	<b>Date of next audit agreed with Clerk</b>	
	<b>Y/N</b>	<b>Comments</b>	
<b>Has the internal auditor seen previous audit reports including the most recent?</b>	N	May 2023 minutes refers to the previous Internal Audit but no report has been published. On request, a short letter stating the Internal Audit had been complete and that the council can tick 'yes' in all AGAR boxes we presented. No recommendations were made by the auditor.	
<b>Is there evidence that previous internal and external audit reports have been acted upon?</b>	N	No detailed report received and no recommendations made by the previous auditor.	

Key governance review		Y/N	Comments & recommendations	Risk <sup>i</sup>		
				Low	Med	High
1	Standing Orders (tailored and reviewed)	N	Revised in 2020. However, appears to be incomplete NALC model document. <i>Recommend that Council review and amend the standing orders to be tailored to Great Gonerby Parish Council.</i>			X
2	Financial Regulations* (tailored and reviewed)	N	Revised in 2016. However, appears to be incomplete NALC model document. <i>Recommend that Council review and amend the Financial Regulations to be tailored to Great Gonerby Parish Council.</i>			X
3	Terms of reference (committees / working groups)	N	Mention of advisory groups in minutes but no TORs on website or provided. <i>Recommend that Council adopt TOR's for advisory groups.</i>			X
4	Councillors' Code of Conduct*	Y	No adoption or review date on website but recorded in the minutes in March 2023. <i>Recommend that Council update documents and publish online to include dates.</i>			
5	Complaints procedure* (tailored and reviewed)	Y	No adoption or review date on website. <i>Recommend that Council update documents and publish online to include dates.</i>			
6	Insurance Cover <ul style="list-style-type: none"> <li>• Reviewed annually</li> <li>• Certificate(s) viewed &amp; valid</li> <li>• Employees' Liability Cover in place and published*</li> <li>• Public Liability Cover</li> <li>• Employees' Fidelity Guarantee</li> <li>• Councillors' ages reviewed and recorded</li> <li>• Other e.g. vehicles, assets, equipment, volunteers ...</li> </ul>	Y	Adequate insurance in place.			
7	Council contact details available online	N	Only method of contact shown on website is an online form. No direct email or telephone number shown.	X		
8	Up to date employment contracts for all staff	Y	Contracts were reviewed in December 23.			
9	Publication scheme in place*	N	No publication scheme in place.		X	

			<i>Recommend Council adopt a publication scheme.</i>			
10	GDPR policies in place* <ul style="list-style-type: none"> <li>Record Retention Schedule</li> <li>Data Breach Assessment</li> <li>Process for dealing with a Subject Access Request</li> <li>Security Compliance Checklist ....</li> </ul>	Y	Policy in place. No adoption or review date shown on website. <i>Recommend that Council update documents and publish online to include dates.</i>			
11	Arrangement for inspection of public records adequate*	Y	Adequate			
12	External audit report published by 30 Sept (if relevant)*	N/A				

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y	Published online. Previous years are shown on the old website.			
14	Annual Governance statement published by 1 July* <ul style="list-style-type: none"> <li>Correctly claimed exemption from audit (if relevant)</li> </ul>	Y	The annual governance statement was published on the old website only.			
15	Internal audit report published by 1 July*	N	No internal audit report was publish to the new website. <i>Recommend that the report be published online.</i>			X
16	Agendas and meeting papers published within three clear days*	N	No date of publication included on the agenda online. Only the current agenda can be viewed online. <i>Recommendation that a date of publication be added to all agendas.</i>			X
17	Past 5 years of annual returns available online*	N	Available on old website only. <i>Recommend that the previous 5 years be added to new website.</i>			X
18	Asset register published by 1 July*	N	No evidence of asset register online. <i>Recommend that the asset register be published online.</i>			X

<b>Councils under £25K turnover and over £200K (Best Practice for those under £200K):</b>						
<b>19</b>	All items of expenditure above £100 published by 1 July (over £500 for larger)	<b>N/A</b>				
<b>20</b>	Councillor responsibilities published by 1 July	<b>N/A</b>				
<b>21</b>	Draft minutes published within one month of the meeting	<b>N/A</b>				
<b>Councils over £200K turnover:</b>						
<b>22</b>	Senior officer salaries published*	<b>N/A</b>				
<b>23</b>	Data on issues important to local people (e.g., parking, grants)*	<b>N/A</b>				
<b>24</b>	Procurement information over £5,000 published*	<b>N/A</b>				

<b>Accounting</b>		<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Risk</b>		
				<b>Low</b>	<b>Med</b>	<b>High</b>
<b>25</b>	Cashbook maintained and up to date	Y	Adequate cashbook kept up to date. Although there is a heading for VAT reclaimed, there is no evidence of VAT being recorded.			
<b>26</b>	Arithmetically correct (checks / balance)	Y	Yes.			
<b>27</b>	Evidence of internal control	Y	Adequate evidence of internal controls in place.			
<b>28</b>	VAT* • evidence of recording • evidence of reclaiming	N	Although there is a heading for VAT reclaimed, there is no evidence of VAT being recorded. <i>Recommend adding column for VAT.</i>		X	
<b>29</b>	All payments supported by authorised, minuted invoices	Y	List of all payments included in the minutes.			

30	s.137* <ul style="list-style-type: none"> <li>Recorded separately within accounts</li> <li>Within legal threshold limits for the current year</li> <li>Spend in accordance with legislation</li> </ul>	N	No evidence in cashbook or minutes of Section 137. <i>Recommend that a line for S137 money be added to the cashbook.</i>			X
31	Payments made in accordance with Financial Regulations <ul style="list-style-type: none"> <li>Cheques</li> <li>Online banking</li> <li>BACS</li> <li>Direct Debit</li> <li>Credit or debit cards</li> <li>Other payments</li> </ul>	N	<i>Recommend that Financial Regulations be properly adopted.</i>			X

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*	Y	Budget approved by full council and recorded in minutes.			
33	Precept demand properly minuted*	N	Included in the minutes for November 22, there is evidence that a budget was discussed in depth but no final budget or precept figures were recorded in the minutes. <i>Recommend that precept demand figures are included within the minutes.</i>		X	
34	Earmarked reserves reviewed	N	No evidence of this in the minutes.		X	
35	Budget is monitored regularly with variances reported to council in line with Financial Regulations <ul style="list-style-type: none"> <li>Variances from budget explained</li> </ul>	Y	Minutes from every meeting include a financial position summary.			

Income control	Y/N	Comments & recommendations	Risk		
			Low	Med	High

36	Income properly recorded and banked promptly	Y				
37	Precept income received in bank account	Y				
38	Effective security of cash and cash transactions	N/A	No cash transactions.			
39	Effective security of card transactions	Y				

Y

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation	Y	Bank reconciliations are noted within the minutes along with bank balances but no visual of the bank reconciliation or resolution to accept the bank reconciliation appear to be recorded.			
41	Balancing entries (adjustments) explained	Y	Adequate.			
42	Bank mandate up to date • Evidence of signatories	Y	3 signatories with adequate controls in place.			

Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised	N/A				
44	Petty cash spending supported by VAT receipt(s)	N/A				
45	Petty cash reported to Council	N/A				
46	Petty cash float reconciled/reimbursed	N/A				
47	Other	N/A				

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to • Income and expenditure • Receipts and payments	Y	Payments and receipts.			
49	Bank statements reconcile to ledger	Y	Bank reconciliations completed regularly and balance.			
50	Robust audit trail evident	N	Some policies and procedures are inadequate along with some legal duties are not in place.		X	

			<i>See other recommendations.</i>			
51	Debtors and creditors recorded	N/A				
52	Other	N/A				

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Register of assets* <ul style="list-style-type: none"> <li>• Exists</li> <li>• Reviewed</li> <li>• Up to date</li> </ul>	N	Reviewed in September 23 but not resolved as accurate by full council. Not published online. <i>Recommend that this be resolved and published.</i>		X	
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> <li>• Play equipment</li> <li>• Street furniture</li> <li>• Fire safety</li> <li>• Defibrillators</li> <li>• Other</li> </ul>	Y	Monthly inspections of various village assets recorded.			

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk Register / Management scheme in place	N	No risk register present. <i>Recommendation that a risk register be adopted.</i>		X	
56	Annual risk assessment undertaken as a minimum	N	No evidence of an annual risk assessment within minutes. <i>Recommendation that an annual risk assessment be conducted.</i>		X	
57	Financial controls and procedures documented	Y	Yes.			
58	Regular financial reporting to Council	Y	Yes. <i>Financial Regulations to be updated.</i>			
59	Reporting of bank balances minuted	Y	Yes.			
60	Grants ratified and minuted according to policy	Y	Yes.			
61	Evidence of unusual activity from minutes	N	No unusual activity identified.			

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	General Power of Competence	N/A				

	<ul style="list-style-type: none"> <li>• Council eligible</li> <li>• General Power of Competence adopted/ up to date</li> </ul>					
63	Back up of files adequate	Y	Electronic back up of all files is completed monthly.			
64	Storage of files (paper and electronic) adequate	Y				
65	Local Council Award Scheme <ul style="list-style-type: none"> <li>• Foundation</li> <li>• Quality</li> <li>• Quality Gold</li> </ul>	N/A				
66	Website Accessibility Statement published online*	N	No accessibility statement online. <i>Recommend that an accessibility statement be published on the website.</i>			X

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
67	Employee posts properly recorded/ correct job descriptions <ul style="list-style-type: none"> <li>• Proper Officer (Clerk)</li> <li>• RFO</li> <li>• Deputy Clerk</li> <li>• Admin assistant</li> <li>• Site staff</li> <li>• Other</li> </ul>	Y	Renewed December 23.			
68	List of Members' interests* <ul style="list-style-type: none"> <li>• displayed on website</li> <li>• reviewed regularly</li> </ul>	N	Not included on new website. <i>Recommend that member's interest be available to view online.</i>		X	
69	Declarations of acceptance of office* <ul style="list-style-type: none"> <li>• New Councillor</li> <li>• Chairman</li> </ul>	Y	Present.			
70	Co-options according to policy	Y	Yes.			
71	Agenda documents correct	Y	Yes.			
72	Minutes correct / signed*	Y	Yes.			
73	Council-owned email address account in place	Y	Yes.			
74	Purchase order system used/correct	Y	Yes.			



<b>75</b>	Purchasing authorised in line with Financial regs / limits	N	Financial Regulations are not adequate.			X
<b>76</b>	Council operating within legal powers* • Legal powers identified in minutes	Y	Yes.			
<b>77</b>	Delegation to officers or committees • Scheme of delegation • Limits set out in financial regulations and / or standing orders; • adhered to; • reported adequately	N	No scheme of delegation present or published. <i>Recommendation that a scheme of delegation be adopted and published.</i>		X	

Payroll & HR		Y/N	Comments & recommendations				Risk		
							Low	Med	High
<b>78</b>	Written statement of particulars for all staff from day one (April 2020 onwards)*	Y	Renewed in December 23.						
<b>79</b>	Proper procedures for payroll, PAYE & NI*	Y	External agency used for payroll.						
<b>80</b>	Is payroll inhouse or external provider used?	Y	In-house		External	Y			
<b>81</b>	PAYE & NI payments verified	Y	Verified.						
<b>82</b>	Approval of salaries and increments	Y	Included in minutes.						
<b>83</b>	Approval of expense claims	Y	Included in minutes.						
<b>84</b>	Minimum wage threshold met	Y	Yes.						
<b>85</b>	HR procedures and policies adopted / reviewed	N	No evidence of HR policies and procedures. <i>Recommendation to adopt relevant HR policies and procedures.</i>						X
<b>86</b>	Training policy and record staff /elected Members	N	No training policy in place. <i>Recommendation that a training policy be adopted and a record of staff and member training be kept.</i>					X	

<b>87</b>	Qualified Clerk <ul style="list-style-type: none"> <li>• CiLCA 2015 or later</li> <li>• Level 4 Community Governance or higher</li> </ul>	N	Clerk is not CilCA qualified.						
<b>88</b>	Annual appraisals undertaken	N	No regular appraisals have been carried out to date. <i>Recommendation that appraisals for staff be carried out at least annually.</i>					X	
<b>89</b>	Job description up to date / reviewed	Y	Reviewed in December 23.						
<b>90</b>	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> <li>• <a href="#">Display Screen Equipment</a></li> </ul>		<i>I have been unable to check this. However, if not in place, recommendation to carry out assessment and send copy to employer.</i>						
<b>91</b>	Adequate Pension provision in place	N/A	There is no pension provision in place due to no staff meeting the threshold.						
	<ul style="list-style-type: none"> <li>• Automatic Enrolment for Staff*</li> </ul>	N/A	Y		N		DD/MM/YYYY		
	<ul style="list-style-type: none"> <li>• Opt Out Evidenced*</li> </ul>	N/A	Y		N		DD/MM/YYYY		
	<ul style="list-style-type: none"> <li>• Declaration of Compliance*</li> </ul>	N/A	Y		N		DD/MM/YYYY		
	<ul style="list-style-type: none"> <li>• Redeclaration of Compliance</li> </ul>	N/A	Y		N		DD/MM/YYYY		

# Transaction spot check

Due to time constraints, no transaction spot checks have been carried out during this internal audit.

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## Endnotes

**High and medium risk items may lead to the internal auditor stating that the Council does not comply with one or more assertions on the AGAR form at the end of the financial year.**

<sup>i</sup> **High risk** – these items should be dealt with as a **high priority** because they may affect one or more of the following – statutory and must be done, high financial risk which could reveal the council to losses, not compliant with Proper Practices in the Practitioners’ Guide, high risk of reputational damage, failure to comply may lead to penalties, prosecution or legal action.

**Medium risk** – these items need to be improved to meet one or more of the following - statutory requirements, support internal control, reduce the risk of financial loss and reputational damage, improve governance, improve compliance with proper practices in the Practitioners’ Guide, and to improve procedures that should be in place.

**Low risk** – these items are usually **best practice** to improve governance, internal control, transparency, efficiency and effectiveness.

\*-Asterisked items are statutory requirements and should be in place where applicable.