

## INTERNAL AUDIT CHECKLIST

Council: Winkleigh Parish Council

Date: 2<sup>nd</sup> May 2023

Appropriate accounting records have been properly kept throughout the year AND Periodic bank account reconciliations were properly carried out during the year

REVIEW	COMMENT	Action Required
Ensure the correct roll forward figures of the prior year's cashbook balances to the new financial year.	Following discussions with PKF Littlejohn the starting balance figures have now been restates indicating no confidence with the previous year's figures.	Noted that a letter of explanation alongside the explanation of variances clearly outlines the remedial action taken.
Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained.	Sample checked. All in order. EDF invoices for electricity were not available but this was due to change of personnel.	
Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members.	All in order and checked.	
Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.	All in order and balanced.	
Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	N/A	

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.

REVIEW	COMMENT	Action Required
Review the procedures in place for acquisition of formal tenders and quotes, ensuring they	Financial Regulations have been updated and outline tender requirements.	Recommend that Standing Orders be reviewed again and based on the latest

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REVIEW	COMMENT	Action Required
are in line with the SOs and FRs which should be based on the latest version.	Standing Orders do not have any reference to contracts so no limits included.	version provided by NALC or the County Association.
Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents)	Checked. Standing Orders does not refer to finance or contracts. Financial Regulations updated and have correct limits in place.	
Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation.	Invoices are sent out and recorded in the cash book. The system in place is appropriate for the income generated. Income generated from precept, burials and property rental.	
Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.	Accounts currently with Nat West. Some issues with segregation. Currently only person has access to the online banking mandate.	Recommend that appropriate segregation
Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements	All in order.	
Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place	N/A	

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		
REVIEW	COMMENT	Action Required
Ensure that authorities have prepared, and formally adopted, at least once annually, an	A Risk Register is in place and is currently being developed.	

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		
REVIEW	COMMENT	Action Required
appropriate and comprehensive register of assessed risks, both regular and ad hoc.		
Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security.	Insurance policy states building value cover and includes other items that Council do not possess.	<p>Recommend a valuation of replacement costs of all buildings be undertaken following recent increases in raw materials.</p> <p>Recommend that a meeting with Council's insurers be arranged to review the current policy and delete items that are currently insured but no longer relevant.</p> <p>Further recommend that if the insurance policy is up for renewal that additional quotations be sought.</p>
Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation.	N/A	
Review the effectiveness of internal control carried out by the authority.	Needs to be updated.	Recommend that the internal controls processed and procedures are reviewed and developed to improve Council governance.

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		
REVIEW	COMMENT	Action Required
Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable.	All in order.	

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		
Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances.	This is currently provided at the end of year.	See note below.
Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances.	No budget monitoring reports are currently presented to Council though this is being addressed.	Recommend that regular quarterly budget monitoring reports are presented to Council alongside bank reconciliations.
Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	Just been updated. Bungalow contingency is in place.	Recommend that Council considers undertaking a structural survey of the bungalow and develops a 5-10 year costed maintenance plan to ensure that adequate funding is allocated towards future maintenance and upkeep of the property.
Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the <a href="#">public record of precepted amounts</a> .	All in order.	

Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.		
REVIEW	COMMENT	Action Required
Review "Aged debtor" listings to ensure appropriate follow up action is in place.	No aged debtors identified.	
Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	N/A	
Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and	Burial Register is in place and recently updated. Plot plan on website.  Fees need to be updated.	Recommend that Council reviews its burial fees.

Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.		
REVIEW	COMMENT	Action Required
been recovered within a reasonable time: (Authorities should also acquire and retain copies of <a href="#">Burial / Cremation certificates</a> )		
Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised.	N/A	
Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time.	Bungalow rent to be reviewed. Defibrillator is on 4 year lease.	
Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income.	Appropriate controls are in place.	
Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked.	All in order. Precept received on time.	

Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		
REVIEW	COMMENT	Action Required
A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a "Not covered" response is frequently required in this area.	Not covered. No petty cash account in place.	
Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc).	N/A	

Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		
Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held.	N/A	
Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held.	N/A	
Ensure that VAT is identified wherever incurred and appropriate.	N/A	
Physically check the petty cash and other cash floats held.	N/A	
Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings.	N/A	

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.		
REVIEW	COMMENT	Action Required
Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract.	A copy of the Locum Clerk's contract has been provided and a signed contract for the previous Clerk has also been provided.	Recommend that Council ensures that any future staff employed must have an employment contract and that a signed copy is retained by Council. Ensure that it has a signed contract of employment once a new Clerk is appointed.
Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	No Members allowances paid.	
Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours.	All in order. Only one member of staff directly employed.	Recommend that Council considers appointing an interim Proper Officer other than the Locum Clerk as this post is temporary and payment is by invoice.

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.		
Ensure that appropriate tax codes are being applied to each employee.	All in order. Noted that PAYE and NI liabilities had not been paid for some time. This has now been rectified.	Recommend that when a new Clerk is appointed the employee is fully aware of the responsibilities and liabilities of the Council and that correct processes are put in place to deal with employee salary payments including PAYE and NI costs.
Where free or paid for software is used, ensure that it is up to date.	All in order.	
For the test sample of employees, ensure that tax is calculated appropriately.	Any issues have now been rectified.	
Check the correct treatment of Pension contributions	Not in place.	
For NI, ensure that the correct deduction and employer's contributions are applied: NB. The employers' allowance is not available to councils but may be used by other authorities	Any issues have now been rectified.	
Ensure that the correct employers' pension percentage contribution is being applied	N/A	
Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.	All in order.	

Asset and investment registers were complete and accurate and properly maintained. This section/assurance includes loans to or by the authority		
REVIEW	COMMENT	Action Required
<b>Tangible Assets</b>		
Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of or no longer serviceable assets.	All in order. Asset Register has been reviewed and newly purchased items added	Recommend that asset register be published on the website.

Asset and investment registers were complete and accurate and properly maintained. This section/assurance includes loans to or by the authority		
REVIEW	COMMENT	Action Required
Physically verifying the existence and condition of high value, high risk assets may be appropriate.	Not covered.	
The register should identify for each asset the purchase cost and, if practicable, the replacement/insured cost, the latter being updated annually and used to assist in forward planning for asset replacement.	All in order.	
Additions and disposals records should allow tracking from the prior year to the current.	All in order. Asset register will be reviewed as there are items that need to be assessed.	Recommend that Council deletes any items from the asset register that are no longer in place.
Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals.	All in order.	
Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority.	There are some anomalies between the asset register and the insurance schedule. This may be because this is standard BHIB cover but the following items need checking: <ul style="list-style-type: none"> <li>• Play equipment - £90k</li> <li>• War Memorial - £48k</li> <li>• Mowers and machinery - £6k</li> <li>• Sports equipment - £18k</li> </ul>	Recommend that the insurance cover is fully reviewed and any incorrect items removed.  Recommend that a rebuild valuation is carried out to ensure that adequate insurance cover for buildings is in place.
<b>Fixed asset investments:</b>		
Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the <a href="#">"Investment Strategy"</a> and reported as Assets in the AGAR at section 2, line 9.	N/A	



Asset and investment registers were complete and accurate and properly maintained. This section/assurance includes loans to or by the authority		
REVIEW	COMMENT	Action Required
<b>Borrowing &amp; Lending:</b>		
Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	N/A	
Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt.	N/A	
Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5	N/A	
Ensure that the outstanding loan liability as at 31 <sup>st</sup> March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the <a href="#">DMO website</a> )	N/A	
Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt.	N/A	

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.		
REVIEW	COMMENT	Action Required
To ensure that the financial detail reported at section 2 of the AGAR reflects the detail in the accounting records maintained for the financial year.	All in order.	

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.		
Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein.	N/A	
Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end.	Receipts and payments accounting system in place. Banking undertaken online.	

If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.		
REVIEW	COMMENT	Action Required
<p>Ensure that, all <a href="#">relevant criteria</a> are met (receipts and payments each totalled less than £25,000)</p> <ul style="list-style-type: none"> <li>the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline</li> <li>that it has been published, together with all required information on the Authority's website and noticeboard</li> </ul>	N/A	

The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation.		
REVIEW	COMMENT	Action Required
Review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation.	A list of documentation has been uploaded on the website.	Recommend that Council develops a work programme and reviews its existing policies and updates them or discontinues them as appropriate. Consider appointing a working group to undertake this task.

The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.

REVIEW	COMMENT	Action Required
Examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection.	All in order.	
Check whether council has minuted the relevant dates at the same time as approving the AGAR	All in order.	

The authority complied with the publication requirements for the prior year AGAR.

REVIEW	COMMENT	Action Required
Ensure that the statutory disclosure/publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.	All in order.	

Trust funds (including charitable) - the Council met its responsibilities as a trustee

REVIEW	COMMENT	Action Required
Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements	N/A	
That the council is the sole trustee on the <a href="#">Charity Commission register</a>	N/A	
That the council is acting in accordance with the Trust deed	N/A	
That the Charity meetings and accounts recorded separately from those of the council.	N/A	
Review the level and activity of the charity and where a risk based approach suggests such, review the <a href="#">Independent Examiners report</a> .	N/A	

