

## INTERNAL AUDIT CHECKLIST

Council: Littlemore Parish Council

Date: 1<sup>st</sup> June 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.	Checked and in order.	
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.	All in order. Sample checked against payments list and bank statements provided.	
Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members.	No reconciliations are being presented except at year end.	Recommend that Council reintroduces bank reconciliations as this is a requirement on the AGAR.
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.	AGAR is in the process of being finalised.	
Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	Council currently has balances exceeding £100,000. An investment strategy has been developed and is published on the website.	

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 are in line with the SOs and FRs which should be based on the latest version.	<p>Outlined in SOs and FRs.</p> <p>FRs not published on website.</p> <p>FRs are based on 2016 and last reviewed in 2020.</p>	<p>Recommend that both Financial Regulations and Standing Orders are reviewed and uploaded on to the website.</p> <p>Some of the limits included in FRs need to be reviewed.</p> <p>Recommend that a Scheme of Delegation be developed and adopted</p>
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)	<p>FRs not available on the website.</p> <p>Both Standing Orders and Financial Regulations have the same Contracts Finder limits included.</p> <p>Noted that Contracts Finder limits have increased to £30,000 inclusive of VAT.</p>	<p>Consider amending Standing Orders and Financial Regulations to explicitly indicate that the £30,000 threshold is inclusive of VAT.</p> <p>Ensure that SOs and FRs cross reference correctly when reviewed.</p>
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.	Procedures are appropriate. Accounts for payment are considered by Council and ratified.	End of month financial paperwork should be signed following ratification at each meeting.
Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.	Clerk uploads the transactions and two councillors authorise. Payments are then ratified by Council/Committee.	
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	VAT has not been claimed for two years. There is an issue with access to the Government Gateway which is currently being addressed.	Recommend that a VAT claim is submitted as soon as possible.

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
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	Debit card in place. Limits are included in Financial Regulations.	

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 appropriate and comprehensive register of assessed risks, both regular and ad hoc.	Risk Management Strategy in place and has been included in monthly reports.	Recommend this is published on the website as a separate item under the Governance page.
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.	All in order. Adequate insurance cover is in place.	Recommend that Council considers a revaluation of build costs for its building due to impact of inflation and Brexit on raw material costs to ensure insurance cover is adequate.
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.	Quarterly inspections are now being carried out by an independent company  Some visual inspections are also carried out by Grounds Team but these need to be formalised..	Ensure that any issues identified are addressed in a timely manner.
Review the effectiveness of internal control carried out by the authority.	Council is now provided with comprehensive financial information through the Finance Committee.	

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 correctly minuted for 2022/23 and 2023/24.	
Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances.	Council reviewed the annual budget and a copy has been published on the website. The main link on the website is not live.	Recommend that budget reports are published on the website.
Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances.	A monthly budget monitoring report is produced but due to sensitive information being included is not published.	Seek advice from Rialtas to exclude sensitive payroll information from the monthly budgeting reports and reintroduce publication.
Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	EMRs in place and sums allocated to various projects. Council has significant balances which are currently being reduced. Medium Term financial plan has been developed.	
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.	None identified.	
Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	N/A	

Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.

REVIEW	COMMENT	Action Required
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 been recovered within a reasonable time: (Authorities should also acquire and retain copies of <a href="#">Burial / Cremation certificates</a> )	N/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.	Council leases 2 parks and open spaces.	
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.	All in order.	
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.	

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	No petty cash account is in place.	

Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		
REVIEW	COMMENT	Action Required
purchases. Consequently, a “Not covered” response is frequently required in this area.		
Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc).	N/A	
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.	Contract for Clerk is in place and signed. All other staff also have contracts.	
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	All in order.	

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.		
with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours.		
Ensure that appropriate tax codes are being applied to each employee.	All in order.	
Where free or paid for software is used, ensure that it is up to date.	Council currently uses an external provider to undertake their payroll.	
For the test sample of employees, ensure that tax is calculated appropriately.	All in order.	
Check the correct treatment of Pension contributions	All in order.	
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	All in order.	
Ensure that the correct employers' pension percentage contribution is being applied	All in order.	
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		
<b>REVIEW</b>	<b>COMMENT</b>	<b>Action Required</b>
<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.	Asset register in place and is currently being updated.	Consider only including assets that are of a higher value than the insurance excess.

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.	Evidence of assets provided.	
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.	Asset register records purchase and/or valuation cost.	
Additions and disposals records should allow tracking from the prior year to the current.	All in order.	
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.	This is currently being addressed.	Recommend that Council formally adopts the revised asset register when considering its accounting and governance statements.
Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or “self-insured” by the Authority.	All in order. Insurance cover is adequate and road vehicles are insured separately.	
<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.	None in place.	
<b>Borrowing &amp; Lending:</b>		
Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	Council currently has no loans.	
Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should	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
be regarded as an admin expense) in the year of receipt.		
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. Financial details are correct.	
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	All in order. Council uses the Alpha Accounting system.	

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.		
debtors and creditors during the year and at the financial year-end.		

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.	Only AGARs from 2019/20 and 2020/21 have been published. Council does not meet the 5 year historical requirement.	Recommend that Council tries to identify copies of AGAR submissions dating back to 2017-18 to comply.

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.	

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.

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.	The Council has two AGARs published on its website. Minimum requirement is to upload 5 years of previous AGARs. Unfortunately, Box L will need to be a No.	Recommend that Council tries to identify copies of AGAR submissions dating back to 2017-18 to comply.

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	