

## INTERNAL AUDIT CHECKLIST

Council: Beckington Parish Council

Date: 15<sup>th</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.	Correct figure rolled over.	
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.	Samples checked and correct. There are some invoices that are missing and two bank statements but information has been confirmed from the cheque book	Recommend that all payments are fully supported by invoices and if available, that an invoice number is included on the cheque stubs.
Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members.	Reconciliations have been undertaken but information provided in the minutes does not include bank statement information. This needs to be improved.	Recommend that a quarterly bank reconciliation is presented to Council indicating its balances as at 30 <sup>th</sup> June, 30 <sup>th</sup> September, 31 <sup>st</sup> December and 31 <sup>st</sup> March.
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.	The reconciliation balances.	
Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	Authority has balances of approximately £106k at year end. An investment policy may be required if balances continue to be in excess of £100k.	Review balances during the year and review investments accordingly.

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 are available on website and readopted in May 2023	Recommend that both policies are reviewed and that the new tender limit of £30,000

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<b>REVIEW</b>	<b>COMMENT</b>	<b>Action Required</b>
are in line with the SOs and FRs which should be based on the latest version.	Standing Orders are available on the website and up to date and were readopted in May 2023.	including VAT are included.
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)	Limits are consistent. Contracts Finder requirements need to be amended to include contracts over £30,000 inc. VAT.	Recommend Contracts Finder requirements amended to include contracts over £30,000 inc. VAT.
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.	Expenditure considered by Full Council and properly minuted. Cheques are signed by 2 of the Council's signatories.	
Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.	Appropriate segregation is in place.	
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 is normally claimed annually.	.
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	Not in use.	

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

<b>REVIEW</b>	<b>COMMENT</b>	<b>Action Required</b>
Ensure that authorities have prepared, and	A Risk Register is in place.	Continue to update and review the Risk

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REVIEW	COMMENT	Action Required
formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.		Register
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 is in place. It has recently been renewed with Gallaghers.	
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.	Council is not responsible for any play areas.	
Review the effectiveness of internal control carried out by the authority.	This is covered by Financial Regulations.	Consider developing a separate Internal Controls document.

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 and minutes checked.	
Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances.	Budget reports have not been presented during the year. Budget for 2023/24 is currently being reviewed.	Recommend that quarterly budget reports are presented to Council for approval.
Review the budget performance either during	No budget reports appear to be in place so	Recommend that budget reports are provided

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
the year or at the financial year-end seeking explanations for any significant or unanticipated variances.	Members are not aware of budget expenditure to date. An end of year budget monitoring report is produced as part of the accounts.	to Members at least quarterly.
Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	No specific earmarked reserves identified.	Recommend that Council considers setting up earmarked reserves to help fund future projects.
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.	Registration of the allotments has recently been completed. These are managed by an Association.	
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	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
invoices raised.		
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.	Leases are currently being reviewed where appropriate.	
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 and other income received regularly.	

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.	N/A. Petty cash is not used.	
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	N/A	

Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		
incurred and appropriate.		
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.	Locum Clerk is currently being contracted.	
Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	No member 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.	There are issues with access to HMRC Government Gateway. These are currently trying to be resolved.	
Ensure that appropriate tax codes are being applied to each employee.	N/A	
Where free or paid for software is used, ensure that it is up to date.	N/A – not being used	Recommend that this is reviewed as soon as possible.
For the test sample of employees, ensure that tax is calculated appropriately.	N/A	
Check the correct treatment of Pension contributions	No pension scheme in place.	
For NI, ensure that the correct deduction and employer's contributions are applied: NB. The	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.		
employers' allowance is not available to councils but may be used by other authorities		
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.	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>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.	The asset register is updated annually. Recently updated and approved by Council.	
Physically verifying the existence and condition of high value, high risk assets may be appropriate.	Verified.	
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 is in place. Assets are stated at cost with replacement costs included in register.	Recommend that further work is carried out on the asset register to ensure that it is fully accurate.
Additions and disposals records should allow tracking from the prior year to the current.	No disposal of assets identified during the financial year.	
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	All in order.	

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REVIEW	COMMENT	Action Required
disposals.		
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.	
<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	
<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	N/A	



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REVIEW	COMMENT	Action Required
debt.		

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.	
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.	All in order.	

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
Ensure that, all <a href="#">relevant criteria</a> are met (receipts and payments each totalled less than £25,000) <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</li> </ul>	N/A	

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.		
website and noticeboard		

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.	All in order. Website has information uploaded.	

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.	Compliant and posted on noticeboards for 2022/23	
Check whether council has minuted the relevant dates at the same time as approving the AGAR	Correctly minuted	

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.	Historical information available on the website.	

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	N/A	

Trust funds (including charitable) - the Council met its responsibilities as a trustee		
REVIEW	COMMENT	Action Required
requirements		
That the council is the sole trustee on the	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	