



## Lincolnshire Association of Local Councils Internal Audit Checklist 2024/25

<b>Name of Parish or Town Council</b>		Colsterworth and District Parish Council	
<b>Parish Council website</b>		<a href="https://colsterworth.parish.lincolnshire.gov.uk">https://colsterworth.parish.lincolnshire.gov.uk</a>	
<b>Name of internal auditor</b>		Cathryn Nicoll	
<b>Date of audit</b>		15 November 2024	
<b>Type of audit</b>		Intermediate	X Year-end (including AGAR)
<b>Council contact information</b>		<b>Name</b>	<b>Email</b>
<b>Clerk</b>		Sue Grant	clerk@colsterworthanddistpc.co.uk
<b>RFO* if different</b>			
<b>Chairman*</b>		Caroline Hainsworth	Via Clerk
<b>Electorate</b>	1702	<b>Total number of seats</b>	15
<b>Quorum</b>	5	<b>Number of seats filled at time of audit</b>	11 (15/11/2024)
<b>Precept Demand 2024/25</b>	£41,687	<b>Gross budgeted Income</b>	£56,606 (inc Precept)
<b>Date of most recent audit</b>	2023/24 year	<b>Gross budgeted Expenditure</b>	£56,588
		<b>Tested?</b>	<b>Comments</b>
Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?		Y	
Were the auditor reports and actions implemented? Have the actions appeared in the minutes? ( <i>JPAG The Practitioners' Guide para 4.26</i> )		Y	Date minuted and minute reference(s) - 23 May 2024/agreed by Council on 4 June 2024 - 2024.35.1

Key governance review		Tested?	Comments & recommendations	Risk <sup>i</sup>		
				Low	Med	High
1	Standing Orders <i>(up to date, tailored, reviewed and lawful)</i>	Y	For Review May 2025.	X		
2	Financial Regulations* <i>(up to date (at least 2019 or 2024 version), tailored, reviewed and lawful)</i>	Y	Signatures for review March 2025	X		
3	Terms of reference (committees / working groups) <i>(Agenda - clear days' notice, quorum, no individual councillors making decisions)</i>	Y	Finance/ Administration Committee - Review due December 2024. Personnel (Employment) Committee - known as Finance/Administration Committee. ToRs for working groups should be for all (detailed or separate) - tailor for each group or committee. Scheme of Delegation - in place for Highways/Environment/Planning. Finance/Administration to be added.	X		
4	Councillors' Code of Conduct*	Y	Policy in place - signature of councillors accepting the Code of Conduct?	X		
5	Complaints procedure* (tailored and reviewed)	Y	For Review November 2025	X		
6	Insurance Cover <ul style="list-style-type: none"> <li>Reviewed annually for levels of cover</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 (some policies restrict some or all cover over certain ages)</li> <li>Other e.g. vehicles, assets, equipment, volunteers ...</li> <li>Compare schedule against asset register and ensure adequate insurance is in place for items to be covered.</li> <li>Public liability insurance must match the PLI for any delegated services, assets (£10million)</li> <li>Any insurance claims during the previous 12 months which may affect the policy and valuations and cover.</li> </ul>	Y	Renewed 1 May 2024. Long term undertaking to 31 May 2027. Councillors ages reviews - policy to be checked for need. Clerk to review questions and compare with Insurance Policy.	X		
7	General Power of Competence <i>(decision compliant with S.1-8 Localism Act 2011 and 'The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012')</i> .	N/A				

	<ul style="list-style-type: none"> <li>• Date and minute reference GPOC adopted</li> <li>• Qualified Clerk? (CiLCA 2015 or later or Level 4 Community Governance or higher qualifications seen</li> <li>• Two-thirds elected councillors at the time of adoption during the current cycle.</li> </ul>					
8	Publication scheme (based on the ICO model template) (up to date, tailored, reviewed and lawful) and published on the council website*	Y	Expires October 2025	X		
9	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		X		
10	Arrangement for inspection of public records adequate* (Announcement at least one day after parish council approval, announcement at least one day ahead of inspection period, minuted approval by council of inspection period dates - 30 working days including first 10 working days of July).	Y		X		
11	External audit report published by 30 Sept (not applicable to councils validly certified as 'Exempt'.)*	Y		X		
12	Website Accessibility Statement reviewed and published online* <a href="https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps">https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps</a>	Y		X		

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y		X		
14	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	Y		X		
15	Documents listed on front page of AGAR form published as specified.	Y		X		
16	Agendas and meeting papers published with three clear days' notice for parish/ town council meetings*	Y	All published correctly.	X		
17	Past 5 years of annual returns available online*	Y	Some could perhaps be moved to Archive	X		
18	Asset register published by 1 July*	Y	Reviewed and published from 15 November 2024	X		

ICO Model Publication Scheme expected requirements:						
19	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	Y		X		
20	Councillor responsibilities published by 1 July	Y	No direct responsibilities - other than working groups and committees.	X		
21	Draft minutes published within one month of the meeting	Y		X		
<b>Councils over £200K turnover:</b>						
22	Senior officer salaries published*					
23	Data on issues important to local people (eg.subsidised trade union activity, projects, parking, grants)*					
24	Procurement information over £5,000 published*					

Accounting		Tested?	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y	SCRIBE is used - monthly transactions are sent to all councillors with meeting bundle. Also published on website.	X		
26	Arithmetically correct (checks / balance)	Y		X		
27	Evidence of internal control (compliant with Financial Regulations)	Y		X		
28	VAT* • evidence of recording • evidence of reclaiming	Y		X		
29	All payments supported by authorised, minuted invoices	Y		X		
30	s.137* (last resort power for non-GPC councils) • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation	Y		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>	Y		X		
32	If Investments total over £100,000 an Investment Strategy has been adopted and ensure long-term investments for 12+ months are recorded in the Asset Register. (TPG 2.25-2.28 & 5.181-5.190)	n/a				

Budget		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept approved by full council and minuted*	Y	5 December 2023 - 2023.132.1	X		
34	Precept demand properly minuted*	Y	5 December 2023 - 2023.132.2	X		
35	Earmarked reserves reviewed	Y		X		
36	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget explained	Y		X		

Income control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
37	Income properly recorded and banked promptly	Y		X		
38	Precept income received in bank account	Y		X		
39	Effective security of cash and cash transactions	Y		X		
40	Effective security of card transactions	Y		X		

Bank reconciliation		Tested?	Comments & recommendations	Risk		
				Low	Med	High
41	Regular bank balances minuted and bank statement reconciliation and signed off by members and minuted.	Y		X		
42	Balancing entries (adjustments) explained	Y		X		
43	Bank mandate up to date -Evidence of signatories reviewed and minuted	Y	However, needs to be reviewed as signatory councillor resigned.	X		

Petty cash		Tested?	Comments & recommendations	Risk		
				Low	Med	High
44	Petty cash account used/authorised		No petty cash			
45	Petty cash spending supported by VAT receipt(s)					
46	Petty cash reported to Council					
47	Petty cash float reconciled/reimbursed					

Asset control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
48	Register of assets* • Exists • Reviewed and up to date • Published	Y		X		
49	Assets inspected and Health & Safety issues considered* • Play equipment • Street furniture • Fire safety • Defibrillators • Other	Y	Clerk/RFO recently completed LALC play equipment course. All checks completed regularly and recorded.	X		
51	Land and property registered with HM Land Registry. <a href="https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property">https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property</a>	Y	Colsterway Play Area.	X		

Risk management		Tested?	Comments & recommendations	Risk		
				Low	Med	High
52	Risk Register / Management scheme in place	Y	Can be viewed on website	X		
53	Annual risk assessment undertaken as a minimum	Y		X		
54	Financial controls and procedures documented	Y		X		
55	Regular financial reporting to Council in line with Financial Regulations	Y		X		
56	Grants ratified and minuted according to policy	n/a	None made to 15 November 2024			
57	Evidence of unusual activity from minutes	N		X		

General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
58	Back up of files adequate	Y		X		
59	Storage of files (paper and electronic) adequate	Y		X		
60	Local Council Award Scheme applicable? • Foundation • Quality • Quality Gold	n/a	But could be considered by council in future.			
61	Registered with Information Commissioner's Office (if relevant)	Y		X		

Proper Process / Practice		Tested?	Comments & recommendations	Risk		
				Low	Med	High
62	Employee posts properly approved/ recorded/ correct job descriptions in place for each post holder and amendments are confirmed by letter. • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff/ Grounds workers • Other	Y		X		
63	Public sector IR35 rules applied where applicable <a href="https://www.gov.uk/guidance/off-payroll-working-for-clients">https://www.gov.uk/guidance/off-payroll-working-for-clients</a>	Y		X		
64	Right to work checks for employees completed <a href="https://www.gov.uk/check-job-applicant-right-to-work">https://www.gov.uk/check-job-applicant-right-to-work</a>	Y		X		
65	List of Members' interests* • displayed on council website /link to District Council • reviewed regularly (Members have a statutory requirement to complete and report changes within 28 days of change) • Interests declared in meetings and members follow Standing Orders and Code of Conduct • Dispensations approved as set out in Standing Orders and minuted.	Y	David Bellamy - register of interests not showing - to be investigated with SKDC.	X		

<b>66</b>	Declarations of Acceptance of Office* • Councillor (after election/ co-option) • Chair (at least annually)	Y		X		
<b>67</b>	Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	Y		X		
<b>68</b>	Agenda documents lawful and published*	Y		X		
<b>69</b>	Minutes lawful and published/ hard copy signed* - Apologies noted or resolved to be accepted? - A member absent for 6 months handled correctly? - Minutes sequential? - Members present and not present recorded - Interests correctly minuted and members leave room in accordance with Code of Conduct and Standing Orders (Ss27-33 Localism Act 2011) - Dispensations applied for and granted in accordance with Standing Orders (S.33 Localism Act 2011) - Resolutions are minuted and stated with clarity.	Y		X		
<b>70</b>	Confidential items correctly used and resolutions minuted and published <i>Public Bodies (Admission to Meetings) Act 1960 S.1(2)</i>	Y		X		
<b>71</b>	Council-owned email address account in place <i>TPG 1.26</i>	Y	Clerk/RFO adds and removes email addresses as necessary.	X		
<b>72</b>	Purchase order system used/correct	Y		X		
<b>73</b>	Purchasing authorised in line with Financial Regulations / limits	Y		X		
<b>74</b>	Council operating within legal powers* Best practice to include legal power in resolutions of council.	Y		X		
<b>75</b>	Delegation to officers or committees • Lawful delegation (an individual councillor does not have decision-making powers – S.101 Local Government Act 1972) • Limits set out in financial regulations and / or standing orders or policies or schemes of delegation; • adhered to; • reported adequately	Y		X		



Payroll & HR		Tested?	Comments & recommendations				Risk		
							Low	Med	High
76	Written statement of particulars for all staff from day one (April 2020 onwards) <a href="https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars">https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars</a> and amendments to contracts confirmed in writing*	Y					X		
77	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*	Y					X		
78	Is payroll inhouse or external provider used?	Y	In-house	Y	External		X		
79	PAYE & NI payments spot checked - calculations	Y					X		
80	Employers Allowance – Councils are not eligible – payroll system checked.	n/a							
81	Approval of salaries and increments minuted	Y	Finance committee 26 September 2024 / Council approved 01 October 2024				X		
82	Approval of expense claims	Y					X		
83	Minimum wage threshold met	Y					X		
84	HR procedures and policies adopted / reviewed	Y					X		
85	Training policy and record staff /elected Members	Y					X		
86	Probation review completed for new staff within probation period.	n/a	No new staff						
87	Annual appraisals undertaken	Y					X		
88	Job description up to date / reviewed	Y					X		
89	Health and safety of staff workstation & PC equipment undertaken * • <a href="#">Display Screen Equipment</a>	Y					X		
90	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	Y					X		
91	Adequate Pension provision in place to meet statutory requirements <a href="https://www.gov.uk/employers-workplace-pensions-rules">https://www.gov.uk/employers-workplace-pensions-rules</a>	n/a	LGPS		Tick				
			NEST		Tick				
			Other		Identify				
	• Automatic Enrolment for Staff*		Y		N		DD/MM/YYYY	X	
• Opt-Out Evidenced*		Y	X	N		DD/MM/YYYY			

## Transaction spot check (Sample test transactions such as largest payment, employee salaries, direct debit, S.137, VAT, Councillors payment, etc)

Check number	1	2	3	4	5	6
Ledger date	07 06 2024	04 09 2024	06 10 2024			
Item / budget heading	Printing village magazine	Community cleaner	Rent for allotment land			
Reference / Cheque number	Online	online	Online			
Order minute reference	Regular order	Employment contract employed 10+ years	Longstanding arrangement			
Delivery evidence	Y	Y	Y			
Payment minute reference	2024.39	2024.74	2024.92			
Invoice value	417.60 (gross)	657.28 (nett)	200.00			
Minute value	417.60 (gross)	657.28 (nett)	200.00			
Payment value	417.60 (gross)	657.28 (nett)	200.00			
Statement value	n/a	n/a	n/a			
Timely payment	Y	Y	Y			
VAT recorded	Y	Not vatable	not vatable			
S137 recorded in ledger	N	N	N			
S137 minuted	N	N	N			
Notes/ recommendations						

Year End Process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
92	Accounting method correctly applied •					
93	Bank statement opening and closing balances reconcile to cash book / ledger.					
94	Robust audit trail evident					
95	Debtors and Creditors recorded (I&E accounting method only)					
96	Asset register updated for current and previous year balances					
97	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31 <sup>st</sup> March on DMO website. (TPG5.70) <i>Arrangement fees are treated as administrative expenses in year of receipt.</i>					
98	Lending <i>-check if any lending has taken place and is accounted for.</i>					
99	Explanation of Variances completed					
99	Intermediate audit recommendations implemented					
100	Annual Accounting Statement rounding applied/adds up					
101	Trust Funds – ensure account filing responsibilities are up to date and not included in AGAR figures					
102	Previous year 'Restatements' correctly identified					
103	Auditor's recommendations for completion of the Annual Governance Statement <i>(if applicable)</i> and narrative report needed to explain IA Annual Statement's 'No' entries.					

## Appendix: Additional Areas for Audit (Council Specific)

	Allotments	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance					
A2	Fees charged in accordance with approved rates					
A3	Up to date occupancy details kept and securely retained					
A4	Agreements/licences issued to all plot holders					
A5	Other					

	Burials	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance					
B2	Fees charged in accordance with approved rates					
B3	All interred ashes have certificates of cremation*					
B4	Permits properly documented and stored*					
B5	Cemetery regulations adopted and up to date					
B6	Registers of burials and purchased graves completed correctly and stored safely*					
B7	Burial certificates issued correctly					
B8	Green slips returned appropriately to Registrar					
B9	Legible cemetery burial plan up to date* <ul style="list-style-type: none"> <li>backed up if appropriate</li> </ul>					
B10	Business rates exemptions correctly applied					

	Charities	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately					
C2	Independently audited*					
C3	Returns filed within legal time limits*					

	Buildings and premises	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
<b>Note</b>	<i>Premises licence. Fire checks, electrical checks, First Aid, Insurance valuations, PRS, Water checks, Fire alarms, COSHH, gas inspections, Employer liability and PLI, Fidelity. DEC certificate Use HSE checklist or similar <a href="https://www.hse.gov.uk/voluntary/work-types/village-and-community-halls.htm">https://www.hse.gov.uk/voluntary/work-types/village-and-community-halls.htm</a> Is the ownership /lease title registered with Land Registry?</i>					
<b>Cb1</b>						
<b>Cb2</b>						
<b>Cb3</b>						

	Markets	Tested ?	Comments & Recommendations	Risk		
				Low	Med	High
<b>M1</b>	Income for stall hire balances					
<b>M2</b>	Fees charged in accordance with approved rates					
<b>M3</b>	Up to date occupancy details kept and securely retained					
<b>M4</b>	Statutory records kept / stored safely					
<b>M5</b>	Agreements/licences issued to all stall holders					
<b>M6</b>	Other					

	Other	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
<b>O1</b>						
<b>O2</b>						
<b>O3</b>						

#### 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.**

**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.