



Lincolnshire Association of Local Councils

Internal Audit Checklist 2023/24

Name of Parish or Town Council	Colsterworth and District Parish Council			
Parish Council website	https://colsterworth.parish.lincolnshire.gov.uk			
Name of internal auditor	Cathryn Nicoll			
Date of audit	26 April 2024			
Type of audit (Please tick)	Intermediate	<input checked="" type="checkbox"/>	Year-end (including AGAR)	<input checked="" type="checkbox"/>
Council contact information	Name	Email		
Clerk	Sue Grant	clerk@colsterworthanddistpc.co.uk		
RFO* if different				
Chairman*	Caroline Hainsworth	via the Clerk		
Electorate	1702	Total number of seats	15	
Quorum	5	Number of councillor vacancies	2	
Precept Demand 2023/24	£40,399	Gross budgeted Income	£65,062.11	
Date of most recent audit	Audit completed October 2023 by independent person (seen)	Date of next audit agreed with Clerk	Interim and AGAR completed by LALC auditor 26 April 2024	
	Y/N	Comments		
Has the internal auditor seen previous audit reports including the most recent?	Y			
Is there evidence that previous internal and external audit reports have been acted upon?	Y			

Key governance review		Y/N	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing Orders (tailored and reviewed)	Y	For review May 2024	X		
2	Financial Regulations* (tailored and reviewed)	Y	Reviewed and ratified March 2024	X		
3	Terms of reference (committees / working groups)	Y	Finance/Administration Committee including Personnel - Review December 2024 Planning Protocol Review November 2024 Working Groups - suggest ToR prepared and adopted <ul style="list-style-type: none"> • Highways and Footpaths • Environment and Amenities 	X		
4	Councillors' Code of Conduct*	Y	For review May 2024	X		
5	Complaints procedure* (tailored and reviewed)	Y	For review November 2024	X		
6	Insurance Cover <ul style="list-style-type: none"> • Reviewed annually • Certificate(s) viewed & valid • Employees' Liability Cover in place and published* • Public Liability Cover • Employees' Fidelity Guarantee • Councillors' ages reviewed and recorded • Other e.g. vehicles, assets, equipment, volunteers ... 	Y	PPL and EL certificates displayed - both expire 31 05 2024 Insurance documents seen.	X		
7	Council contact details available online	Y		X		
8	Up to date employment contracts for all staff	Y	Viewed	X		
9	Publication scheme in place*	Y	For review October 2024	X		
10	GDPR policies in place* <ul style="list-style-type: none"> • Record Retention Schedule • Data Breach Assessment • Process for dealing with a Subject Access Request • Security Compliance Checklist 	Y	Data Protection Certificate expires October 2024. Policies listed for review November 2024.	X		
11	Arrangement for inspection of public records adequate*	Y		X		
12	External audit report published by 30 Sept (if relevant)*	Y	Year ending 2022/23 published on website	X		

Transparency		Y/N	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	Internal audit report published by 1 July*	Y	Suggest IA (not AGAR section) is published on website	X		
16	Agendas and meeting papers published within three clear days*	Y	Assume this is so.	X		
17	Past 5 years of annual returns available online*	Y		X		
18	Asset register published by 1 July*	Y		X		
Councils under £25K turnover and over £200K (Best Practice for those under £200K):						
19	All items of expenditure above £100 published by 1 July (over £500 for larger)	Y		X		
20	Councillor responsibilities published by 1 July	N/A	No councillor has specific responsibilities other than working groups and committees.	X		
21	Draft minutes published within one month of the meeting	Y		X		
Councils over £200K turnover:						
22	Senior officer salaries published*		N/A			
23	Data on issues important to local people (e.g., parking, grants)*		N/A			
24	Procurement information over £5,000 published*		N/A			

Accounting		Y/N	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y		X		
26	Arithmetically correct (checks / balance)	Y		X		
27	Evidence of internal control	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* • 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 • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments	Y		X		

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*	Y		X		
33	Precept demand properly minuted*	Y		X		
34	Earmarked reserves reviewed	Y		X		
35	Budget is monitored regularly with variances reported to council in line with Financial Regulations • Variances from budget explained	Y		X		

Income control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
36	Income properly recorded and banked promptly	Y		X		
37	Precept income received in bank account	Y		X		
38	Effective security of cash and cash transactions	Y		X		
39	Effective security of card transactions		Recommend debit or credit card is provided to Clerk/RFO			

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation	Y	Monthly	X		
41	Balancing entries (adjustments) explained	Y		X		
42	Bank mandate up to date • Evidence of signatories	Y		X		

Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised		Petty Cash not used			
44	Petty cash spending supported by VAT receipt(s)					
45	Petty cash reported to Council					
46	Petty cash float reconciled/reimbursed					
47	Other					

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to • Income and expenditure • Receipts and payments	Y		X		
49	Bank statements reconcile to ledger	Y		X		
50	Robust audit trail evident	Y		X		
51	Debtors and creditors recorded	Y		X		
52	Other		N/A			

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Register of assets* <ul style="list-style-type: none"> • Exists • Reviewed • Up to date 	Y	Excellent register maintained and regularly reviewed.	X		
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	Y	Recommend Clerk attends Play Equipment Course run by LALC for credibility.		X	

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk Register / Management scheme in place	Y	Reviewed 19 03 2024	X		
56	Annual risk assessment undertaken as a minimum	Y		X		
57	Financial controls and procedures documented	Y		X		
58	Regular financial reporting to Council in line with Financial Regulations	Y		X		
59	Reporting of bank balances minuted	Y		X		
60	Grants ratified and minuted according to policy	Y	November 2023 meeting - grant approved by council	X		
61	Evidence of unusual activity from minutes	N				

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	General Power of Competence <ul style="list-style-type: none"> • Council eligible • General Power of Competence adopted/ up to date 	N		X		
63	Back up of files adequate	Y		X		
64	Storage of files (paper and electronic) adequate	Y	Fireproof cabinets	X		
65	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N	Suggest Council investigate	X		
66	Website Accessibility Statement published online*	Y		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"> • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff • Other 	Y	In place for Clerk/RFO and two Community Cleaners - viewed	X		
68	List of Members' interests* <ul style="list-style-type: none"> • displayed on website • reviewed regularly 	Y	Link from Parish Council website directing to SKDC website.	X		
69	Declarations of acceptance of office* <ul style="list-style-type: none"> • New Councillor • Chairman 	Y		X		
70	Co-options according to policy	Y		X		
71	Agenda documents correct	Y	Suggest including list of payments to be approved at Council meetings on Agenda for residents to be able to view.	X		
72	Minutes correct / signed*	Y		X		
73	Council-owned email address account in place	Y	Not all councillors using a dedicated PC email address. Recommend they do - to offer protection in the event of forensic examination.			X
74	Purchase order system used/correct	Y	Via Scribe	X		
75	Purchasing authorised in line with Financial regs / limits	Y		X		
76	Council operating within legal powers* <ul style="list-style-type: none"> • Legal powers identified in minutes 	Y		X		

77	Delegation to officers or committees <ul style="list-style-type: none"> • Scheme of delegation • Limits set out in financial regulations and / or standing orders; • adhered to; • reported adequately 	N	There are no specific delegations to Councillors other than through committees.	X		
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Payroll & HR		Y/N	Comments & recommendations				Risk		
							Low	Med	High
78	Written statement of particulars for all staff from day one (April 2020 onwards)*	Y					X		
79	Proper procedures for payroll, PAYE & NI*	Y	HMRC Tools				X		
80	Is payroll inhouse or external provider used?	Y	In-house	X	External		X		
81	PAYE & NI payments verified	Y					X		
82	Approval of salaries and increments	Y					X		
83	Approval of expense claims	Y					X		
84	Minimum wage threshold met	Y					X		
85	HR procedures and policies adopted / reviewed	Y					X		
86	Training policy and record staff /elected Members	N	No Training Policy in place but record of training undertaken kept. Suggest Policy put in place.					X	
87	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	N							
88	Annual appraisals undertaken	Y	Undertaken by Clerk for two community cleaners. Finance and Administration committee which includes Chair for Clerk/RFO.				X		
89	Job description up to date / reviewed	Y					X		
90	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> • Display Screen Equipment 	Y					X		

91	Adequate Pension provision in place		LGPS				Tick			
			NEST				Tick			
			Other				Aviva			
	• Automatic Enrolment for Staff*		Y		N		DD/MM/YYYY	X		
	• Opt Out Evidenced*	Y	Y	X	N		Minutes 19/10/2021			
• Declaration of Compliance*		Y		N		DD/MM/YYYY				
• Redeclaration of Compliance		Y		N		DD/MM/YYYY				

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	17/04/23	09/05/23	30/05/23	05/07/23	03/08/23	08/12/23
Item / budget heading	LCC Grass cutting	Stationery	Office Phone Focus	Community Cleaner - June salary	SKDC	Friends of Colsterworth School
Reference / Cheque number	BACS	103918	DD	BACS	BACS	BACS
Order minute reference	Contract 2023/24	Clerks expenses	Focus (BT) Contract	Employee - per contract of employment	Election Costs	Grant
Delivery evidence	Y	Y	Y	Y	Y	Y
Payment minute reference	2022.171	2022.171	2023.47	2323.58	2023.78	2023.136
Invoice value	£442.00	£3.75	£28.37	£608.14	£218.27	£500.00
Minute value	£442.00	£3.75	£28.37	£608.14	£218.27	£500.00
Payment value	£442.00	£3.75	£28.37	£608.14	£218.27	£500.00
Statement value	n/a	n/a	na	n/a	n/a	n/a
Timely payment	Y	Y	Y	Y	Y	Y
VAT recorded	0	0	£4.73	0	0	0π
S137 recorded in ledger	n/a	n/a	n/a	n/a	n/a	Yes
S137 minuted	n/a	n/a	n/a	n/a	n/a	Y
Notes						

Appendix: Additional Areas for Audit (Council Specific)

	Allotments	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance	Y	Recorded with general "community" account. Can be extracted from Scribe.	X		
A2	Fees charged in accordance with approved rates	Y		X		
A3	Up to date occupancy details kept and securely retained	Y		X		
A4	Agreements/licences issued to all plot holders	Y		X		
A5	Other					

	Burials	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance	Y	Recorded with general "community" account. Can be extracted from Scribe.	X		
B2	Fees charged in accordance with approved rates	Y		X		
B3	All interred ashes have certificates of cremation*	Y	Kept as scanned images	X		
B4	Permits properly documented and stored*	Y		X		
B5	Cemetery regulations adopted and up to date	Y		X		
B6	Registers of burials and purchased graves completed correctly and stored safely*	Y		X		
B7	Burial certificates issued correctly	Y		X		
B8	Green slips returned appropriately to Registrar	Y		X		
B9	Legible cemetery burial plan up to date* • backed up if appropriate	Y		X		
B10	Business rates exemptions correctly applied	Y		X		

	Charities	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately	n/a				
C2	Independently audited*					
C3	Returns filed within legal time limits*					

	Community buildings	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
Cb1						
Cb2						
Cb3						

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

	Other	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
O1						
O2						
O3						

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.