



# Lincolnshire Association of Local Councils

## Internal Audit Checklist 2023/24

<b>Name of Parish or Town Council</b>	Ruskington Parish Council		
<b>Parish Council website</b>	<a href="https://ruskington.parish.lincolnshire.gov.uk/">https://ruskington.parish.lincolnshire.gov.uk/</a>		
<b>Name of internal auditor</b>	Mr Chris Pilkington		
<b>Date of audit</b>	Friday 21 <sup>st</sup> June 2024		
<b>Type of audit (Please tick)</b>	<input type="checkbox"/> Intermediate	<input type="checkbox"/> Year-end (including AGAR)	<input checked="" type="checkbox"/>
<b>Council contact information</b>	<b>Name</b>	<b>Email</b>	
<b>Clerk</b>	Mrs Kathryn Locke	clerk@ruskingtonpc.org.uk	
<b>RFO* if different</b>	Miss Kirsty Sinclair	rfo@ruskingtonpc.org.uk	
<b>Chairman*</b>	Cllr Owen Ditch	cllrditch@ruskingtonpc.org.uk	
<b>Electorate</b>	4,629	<b>Total number of seats</b>	13
<b>Quorum</b>	5	<b>Number of councillor vacancies</b>	5
<b>Precept Demand 2023/24</b>	£251,710	<b>Gross budgeted Income</b>	£14,181
<b>Date of most recent audit</b>	13 <sup>th</sup> February 2024	<b>Date of next audit agreed with Clerk</b>	N/A
	<b>Y/N</b>	<b>Comments</b>	
<b>Has the internal auditor seen previous audit reports including the most recent?</b>	Y		
<b>Is there evidence that previous internal and external audit reports have been acted upon?</b>	Y	At meeting on 11 <sup>th</sup> June the Council resolved to increase the range of internal control checks taking place.  The Council has returned to using QuickBooks as its accounting software.  Efforts have been made to co-opt people on to the Council.	

Councillor responsibilities info now on the website.

Key governance review		Y/N	Comments & recommendations	Risk <sup>i</sup>		
				Low	Med	High
1	Standing Orders (tailored and reviewed)	Y	Procurement thresholds in Standing Orders 18(a)(v), 18(c) and 18(f) need to be updated to reflect new figures (Jan 24)	✓		
2	Financial Regulations* (tailored and reviewed)	Y	Procurement thresholds in FR 11.1(b) and 11(h) need to be updated to reflect new figures (Jan 24)  NALC has produced (May 2024) new model financial regulations. The Council should adopt this and I understand that this will be discussed at the June meeting of the Council.	✓		
3	Terms of reference (committees / working groups)	Y	The Council has four committees (Finance, HR, Estate Management & Planning and Recreation and Environment) but the homepage of the website list five different terms of reference (HR, Estate Management & Planning, Finance, Operations and Recreation & Environment).	✓		
4	Councillors' Code of Conduct*	Y		✓		
5	Complaints procedure* (tailored and reviewed)	Y		✓		
6	Insurance Cover <ul style="list-style-type: none"> <li>• Reviewed annually</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> </ul>	Y				

	<ul style="list-style-type: none"> <li>Councillors' ages reviewed and recorded</li> <li>Other e.g. vehicles, assets, equipment, volunteers ...</li> </ul>					
7	Council contact details available online	Y		✓		
8	Up to date employment contracts for all staff	Y	New NALC/SLCC model contract of employment published in December 2023. Employment contracts should be reviewed to reflect the new model version.	✓		
9	Publication scheme in place*	Y	Should say FOI Act 2000 rather than 2005.	✓		
10	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		✓		
11	Arrangement for inspection of public records adequate*	Y		✓		
12	External audit report published by 30 Sept (if relevant)*	Y		✓		

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y		✓		
14	Annual Governance statement published by 1 July* <ul style="list-style-type: none"> <li>Correctly claimed exemption from audit (if relevant)</li> </ul>	Y		✓		
15	Internal audit report published by 1 July*	Y		✓		
16	Agendas and meeting papers published within three clear days*	Y		✓		
17	Past 5 years of annual returns available online*	N	Only last three years shown on website.		✓	

18	Asset register published by 1 July*	N	Asset register needs to be displayed on website		✓	
<b>Councils under £25K turnover and over £200K (Best Practice for those under £200K):</b>						
19	All items of expenditure above £100 published by 1 July (over £500 for larger)	Y		✓		
20	Councillor responsibilities published by 1 July	Y		✓		
21	Draft minutes published within one month of the meeting	Y	3 <sup>rd</sup> April 2023 Estate Management minutes not yet approved by Council	✓		
<b>Councils over £200K turnover:</b>						
22	Senior officer salaries published*	N	Council website needs a page showing the information required to be published online under the Transparency Code 2015		✓	
23	Data on issues important to local people (e.g., parking, grants)*	N	Council website needs a page showing the information required to be published online under the Transparency Code 2015		✓	
24	Procurement information over £5,000 published*	N	Council website needs a page showing the information required to be published online under the Transparency Code 2015		✓	

Accounting		Y/N	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y		✓		
26	Arithmetically correct (checks / balance)	Y		✓		
27	Evidence of internal control	N	Council resolved at meeting on 11 <sup>th</sup> June to increase the range of internal controls taking place.			✓
28	VAT* • evidence of recording • evidence of reclaiming	Y		✓		
29	All payments supported by authorised, minuted invoices	Y		✓		

30	s.137* <ul style="list-style-type: none"> <li>Recorded separately within accounts</li> <li>Within legal threshold limits for the current year</li> <li>Spend in accordance with legislation</li> </ul>	Y		✓		
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		✓		

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*	Y		✓		
33	Precept demand properly minuted*	Y		✓		
34	Earmarked reserves reviewed	Y	<p>At the end of 2023-2024 the Council only held £49,786.81 in total in its bank accounts and petty cash.</p> <p>The Council needs to review its level of general reserves so that it is compliant with the relevant guidance in the JPAG Practitioners' Guide (Sections 5.32 to 5.38 in the March 2023 edition). It should have at least 3 months of general expenditure as a general reserve. Based on its budgeted expenditure for 2023-2024 (£265,891) then it should be holding at least £66,472.75 as a general reserve.</p> <p>It may also want to create an election reserve as that is expenditure which can be anticipated every four years.</p>			✓

<b>35</b>	Budget is monitored regularly with variances reported to council in line with Financial Regulations <ul style="list-style-type: none"> <li>• Variances from budget explained</li> </ul>	Y				
-----------	---	---	--	--	--	--

Income control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
<b>36</b>	Income properly recorded and banked promptly	Y		✓		
<b>37</b>	Precept income received in bank account	Y		✓		
<b>38</b>	Effective security of cash and cash transactions	Y		✓		
<b>39</b>	Effective security of card transactions	Y		✓		

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
<b>40</b>	Regular bank statement reconciliation	Y		✓		
<b>41</b>	Balancing entries (adjustments) explained	Y		✓		
<b>42</b>	Bank mandate up to date <ul style="list-style-type: none"> <li>• Evidence of signatories</li> </ul>	Y		✓		

Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
<b>43</b>	Petty cash account used/authorised	Y		✓		
<b>44</b>	Petty cash spending supported by VAT receipt(s)	Y		✓		
<b>45</b>	Petty cash reported to Council	Y		✓		
<b>46</b>	Petty cash float reconciled/reimbursed	Y		✓		
<b>47</b>	Other	N/A				

Year-end process		Y/N	Comments & recommendations	Risk
------------------	--	-----	----------------------------	------

			Low	Med	High
48	Accounting according to <ul style="list-style-type: none"> <li>Income and expenditure</li> <li>Receipts and payments</li> </ul>	Y	✓		
49	Bank statements reconcile to ledger	Y	✓		
50	Robust audit trail evident	Y	✓		
51	Debtors and creditors recorded	Y	✓		
52	Other	N/A			

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Register of assets* <ul style="list-style-type: none"> <li>Exists</li> <li>Reviewed</li> <li>Up to date</li> </ul>	Y	Work is underway to establish when certain assets were acquired and this should continue. Where evidence of purchase costs for property cannot be found (e.g. from deeds) and the rationale for any values stated in the current register is unknown then a current insurance valuation or purchase cost should be applied so that there is a rationale for the figures stated.	✓		
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> <li>Play equipment</li> <li>Street furniture</li> <li>Fire safety</li> <li>Defibrillators</li> <li>Other</li> </ul>	Y	Weekly inspections of play equipment and annual ROSPA inspection are undertaken as are regular checks of the defibrillators. Training is to be undertaken so that memorial testing in the cemetery is re started.	✓		

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk Register / Management scheme in place	Y	A track change comment is shown in the document on the website. That should be deleted.	✓		
56	Annual risk assessment undertaken as a minimum	Y		✓		
57	Financial controls and procedures documented	Y		✓		

58	Regular financial reporting to Council in line with Financial Regulations	Y		✓		
59	Reporting of bank balances minuted	Y		✓		
60	Grants ratified and minuted according to policy	Y		✓		
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"> <li>• Council eligible</li> <li>• General Power of Competence adopted/ up to date</li> </ul>	N	Council not eligible to adopt GPC due to insufficient number of councillors having been elected, rather than co-opted, to the Council in May 2023. 9 (two-thirds) having been elected. Not having GPC restricts the powers available to the Council.	✓		
63	Back up of files adequate	Y		✓		
64	Storage of files (paper and electronic) adequate	Y		✓		
65	Local Council Award Scheme <ul style="list-style-type: none"> <li>• Foundation</li> <li>• Quality</li> <li>• Quality Gold</li> </ul>	N	The Council should consider applying for accreditation under the scheme to evidence good governance. It should easily be able to obtain Foundation level accreditation.	✓		
66	Website Accessibility Statement published online*	Y		✓		

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"> <li>• Proper Officer (Clerk)</li> <li>• RFO</li> <li>• Deputy Clerk</li> <li>• Admin assistant</li> <li>• Site staff</li> <li>• Other</li> </ul>	Y		✓		
68	List of Members' interests* <ul style="list-style-type: none"> <li>• displayed on website</li> <li>• reviewed regularly</li> </ul>	Y		✓		



69	Declarations of acceptance of office* • New Councillor • Chairman	Y	Declaration of acceptance of office form of councillor co-opted on 13th September 2023 not found. His status as a councillor could be challenged.	✓		
70	Co-options according to policy	Y		✓		
71	Agenda documents correct	Y		✓		
72	Minutes correct / signed*	Y	3 <sup>rd</sup> April 2023 Estate Management minutes not yet approved by Council	✓		
73	Council-owned email address account in place	Y		✓		
74	Purchase order system used/correct	Y		✓		
75	Purchasing authorised in line with Financial regs / limits	Y		✓		
76	Council operating within legal powers* • Legal powers identified in minutes	Y		✓		
77	Delegation to officers or committees • Scheme of delegation • Limits set out in financial regulations and / or standing orders; • adhered to; • reported adequately	Y	Delegated decision making of committees is set out in their terms of reference. The Council should consider putting in place a scheme of delegation clearing setting out the delegated powers of the Clerk & RFO.	✓		

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	Several signed date after start date.				✓		
79	Proper procedures for payroll, PAYE & NI*	Y					✓		
80	Is payroll inhouse or external provider used?	Y	In-house	Y	External		✓		
81	PAYE & NI payments verified	Y					✓		
82	Approval of salaries and increments	Y					✓		
83	Approval of expense claims	Y					✓		

84	Minimum wage threshold met	Y					✓			
85	HR procedures and policies adopted / reviewed	Y	Staff handbook last reviewed in Jan 2022. Review required. Not all staff appear to have signed to say they have read the handbook. That should be done.					✓		
86	Training policy and record staff /elected Members	Y	Need to consolidate records into one document.					✓		
87	Qualified Clerk <ul style="list-style-type: none"> <li>• CiLCA 2015 or later</li> <li>• Level 4 Community Governance or higher</li> </ul>	Y						✓		
88	Annual appraisals undertaken	Y						✓		
89	Job description up to date / reviewed	Y						✓		
90	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> <li>• <a href="#">Display Screen Equipment</a></li> </ul>	Y						✓		
91	Adequate Pension provision in place	Y	LGPS			Tick	✓			
	NEST			✓Tick						
	Other			Identify						
	• Automatic Enrolment for Staff*		Y	✓	N		DD/MM/YYYY	✓		
	• Opt Out Evidenced*		Y	✓	N		DD/MM/YYYY			
• 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						
Item / budget heading	Global Vision – CCTV Installation	Fillingham Trees – Christmas Trees	Glendale	Westgate Print	IMP Electrical Ltd	HMRC
Reference / Cheque number	N/A	N/A	N/A	N/A	N/A	N/A
Order minute reference						
Delivery evidence						
Payment minute reference	List of Payments – 14 <sup>th</sup> November 2023	List of Payments – 12 <sup>th</sup> December 2023	List of Payments – 18 <sup>th</sup> January 2024	List of Payments – 13 <sup>th</sup> February 2024	List of Payments – 12 <sup>th</sup> March 2024	List of Payments – 12 <sup>th</sup> March 2024
Invoice value	£1,038	£1,278	£636.71	£479	£2,336.20	£3,104.72
Minute value	<b>£1,038</b>	<b>£1,278</b>	<b>£636.71</b>	<b>£479</b>	<b>£2,336.20</b>	<b>£3,104.72</b>
Payment value	£1,038	£1,278	£636.71	£479	£2,336.20	£3,104.72
Statement value	£1,038	£1,278	£636.71	£479	£2,336.20	£3,104.72
Timely payment	Yes	Yes	Yes	Yes	Yes	Yes
VAT recorded	Yes	Yes	Yes	N/A	Yes	N/A
S137 recorded in ledger	N/A	N/A	N/A	N/A	N/A	N/A
S137 minuted	N/A	N/A	N/A	N/A	N/A	N/A
Notes						

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

	Allotments	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance	Y		✓		
A2	Fees charged in accordance with approved rates	Y	5 <sup>th</sup> Dec 23 Increase (need 12 months)		✓	
A3	Up to date occupancy details kept and securely retained	Y		✓		
A4	Agreements/licences issued to all plot holders	Y		✓		
A5	Other	N/A				

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

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

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

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

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

#### 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.**

<sup>i</sup> **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.