

Saxilby with Ingleby Parish Council - Internal Audit Checklist 2022/23<sup>1</sup>

Internal Audit undertaken by: Sandra Waller

<b>Name of Council</b>	Saxilby with Ingleby Parish Council	<b>Name of Clerk</b>	Lydia Hopton
<b>No. of Elected Members</b>	12	<b>Name of RFO</b> (if different from above)	
<b>Quorum</b>	5	<b>Precept Demand 2022/23</b>	£233,230

<b>Electorate</b>			
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	Key Governance Review	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
1	Standing Orders (Tailored and Reviewed)	Y	Approved 5.5.2022. Full Council. Minute Ref 143/22. Version 7.7. Under review Dec 22, but reviewed annually in May. Published on Parish Council website.	X			6.12.22
2	Financial Regulations (Tailored and Reviewed)	Y	Approved 5.5.2022. Full Council. Minute Ref 144/22. Version 5.7. Published on Parish Council Website. Reviewed annually in May.	X			6.12.22
3	Terms of Reference (Committees/Working Groups)	Y	Approved 5.5.2022. Full Council. Minute Ref 145/22. Version 4.4. Under review Dec 22, but always reviewed annually in May. Published on Parish Council website.	X			6.12.22
4	Code of Conduct (Elected Members)	Y	West Lindsey DC version adopted by Saxilby Parish Council, 6.4.22. Version 1, Minute Ref 091/22.	X			6.12.22
5	Complaints Procedure (Tailored and Reviewed)	Y	Approved 2.3.2022. Full Council. Minute Ref 068/22. Version 5.2.	X			6.12.22
6	Insurance Cover ● Reviewed Annually	Y	Renewed – 1/10/2022 – 30/9/2023. Certificates and policy schedule reviewed and valid. New certificates need to be	X			6.12.22

	<ul style="list-style-type: none"> <li>• Certificate(s) viewed &amp; valid</li> <li>• Employees Liability Cover</li> <li>• Other</li> </ul>		<p>displayed.</p> <p>Lift insurance – renewed 16/10/22, expires 15/10/23. Two inspections are carried out each year.</p> <p>Vehicle insurance – expires 1/04/23. (FX19, FX22 &amp; FX18)</p>				
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	Transparency	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
7	Internal Controls (Statements or Review)	Y	Covered under Section 221 of this document	X			6.12.22
8	Investment Strategy	N/A	No funds available for long term investment. Excess funds at year end will be allocated to reserves to fund ongoing project work, i.e. – memorial inspections and remedial work; and Saxilby waterfront project.	X			6.12.22
9	Publication Scheme (Reviewed)	Y	Version 1.4 approved 2/3/22. Minute Ref 066/22.	X			6.12.22
10	Risk Assessment (Statement or Review)	Y					
11	Pay Policy (Staffing – Reviewed)	Y	Version 3. Approved 6.4.22. Minute Ref 103/22. Annualised contracts for hourly paid staff to be considered and moving on to NJC pay scales.	X			6.12.22
12	Spending Authorised	Y	Payments authorised by two Councillors. Expenditure within various set limits approved by Council Finance Committee, who also approve Income & Expenditure reports and Bank reconciliations.	X			6.12.22
13	Procurement – Correctly Administered	Y	Quotes are required for non-emergency items for amounts above the RFO's authorised spending limit. Clerk to look into increasing minimum limit requiring 3 quotes (currently £100)	X			6.12.22

14	Organisational – (Agendas/Minutes/Financial Reporting)	Y	Carried out on a monthly basis.	X			6.12.22
15	Land and Assets (Reviewed)	Y	Full review carried out prior to the year end. Any major purchases/sales amended on Asset Register throughout the year.	X			6.12.22
16	Adequate GDPR policy/procedures in place	Y	General Privacy Notice approved 4/5/22 Version 2.2. Due for review 5/24 Privacy Notice – Staff and Council volunteers approved 4/5/22. Version 2.2. Due for review 5/24 Privacy Policy approved 4/5/22. Version 1.3. Due for review 5/24 Data Breach Policy – due for review GDPR Review to be undertaken by RFO/DPO	X			6.12.22
17	Local Council Award Scheme: Attained/Interest	Y	Foundation level awarded October 2020. Zarina to check by end of January	X			6.12.22
18	Other		N/A				

	Accounting	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
19	Cashbook maintained and up to date	Y	Month end accounts are presented to the Finance Committee the following month. Internal procedures have seen improvement of late.	X			6.12.22
20	Arithmetically Correct (Checks/balance)	Y	The Omega accounting system will not close down at the month end if it does not balance.	X			6.12.22
21	Evidence of Internal Control	Y	Financial Regulations. Transparency Regulations. The Finance Committee carry out a physical check of bank reconciliations each month. The Full Council approve payments over £500. All income/expenditure is approved by the Finance Committee each month.	X			6.12.22

22	VAT: <ul style="list-style-type: none"> <li>Recorded</li> <li>Reclaimed</li> </ul>	Y	VAT is automatically recorded by the Omega accounting system, There is an online submission system in place for reclaiming VAT via Omega.	X			6.12.22
23	All Payments Supported by Invoices	Y	All payments are required to have an invoice/receipt. These are checked regularly by the Internal auditor.	X			6.12.22
24	S.137: <ul style="list-style-type: none"> <li>Recorded separately within accounts</li> <li>Within legal threshold limits</li> <li>Spend in accordance with legislation</li> </ul>	Y	Applications are approved at Full Council with a Minute reference. Grants are kept within Government guidelines. A separate spreadsheet is kept of S137 Grants for each financial year.	X			6.12.22

	Income Control	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
25	Income properly recorded and banked promptly	Y	Reconciled with Bank Statements. Banked regularly in a timely manner, majority of income is actioned by Bank Transfer. There are now issues with the Post office accepting cash. Spreadsheet is kept to record items for which cheques/cash have been received. Income still limited following fire and pandemic , however bookings/room hire are now increasing. Grass cutting, WLDC bin emptying, Library SLA –all income from these is paid directly into the account.	X			6.12.22
25a	CiL Payments	Y	Community Infrastructure Levy. Payments are collected by WLDC on behalf of developers and distributed to Councils. Monies received are allocated to different projects. Planning Committee will put forward proposals and Full Council will have ultimate approval. Funds are transferred to reserves and ring fenced until required. Funds are used to supplement ongoing projects within the village. Reported to WLDC at the end of the year.	X			6.12.22

26	Precept demand/calculations receipt	Y	Precept demand Minuted and approved by Full Council. Reconciled with Bank statement. £246,220 for 2023/24. (£246,120 + £100 WLDC contribution)	X			6.12.22
27	Effective security of cash and cash transactions	Y	Cash handling procedure is due for review. To be auctioned at the January 2023 Council Meeting. Cash is kept in safe on the premises until it can be removed to the Post Office. Following the closure of the bar there is limited cash kept on the premises. The insurance policy needs checking with regard to the transport of cash to the Post Office.	X			6.12.22

	Petty Cash SPC does not use Petty Cash	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
28	Petty Cash Account used/authorised						
29	Petty Cash Spending supported by VAT receipt(s)						
30	Petty Cash reported to Council						
31	Petty Cash Float reconciled/reimbursed						
32	Other						

	Year End Process	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
33	Correct Accounting Basis	Y	Income and expenditure system used.	X			14.2.23
34	Bank statements reconcile to ledger	Y	RBS Checklist is sent in February in preparation for the year end. The monthly close down procedures throughout the year using the Omega accounting system provide regular checks. The RFO is currently looking into alternative accounting systems – potentially these could be more resource efficient. It is anticipated that this will be acted upon in the new financial year.	X			14.2.23
35	Robust Audit Trail evident	Y	RBS/Omega/Internal Auditor	X			14.2.23
36	Debtors and Creditors Recorded	Y	RBS/Omega	X			14.2.23
37	Other		N/A				

	Bank Reconciliation	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
38	Regular bank statement reconciliation	Y	Omega carries out a monthly closedown procedure. The Finance Committee approve the reconciliation on a monthly basis.	X			14.2.23
39	Balancing entries (adjustments) explained	Y	Part of the Omega process.	X			14.2.23
40	Bank mandate up to date	Y	All the relevant councillors are signatories on the mandates for the Co op, Nat West and Unity bank accounts. Zarina is on the Co op mandate but needs adding to the Unity and Nat west accounts. The councilors can access the bank accounts if necessary.		X		14.2.23

	Budget	Y/N	Comments & Recommendations	RISK			
				Low	Med	High	
41	Annual budget in support of precept	Y	The Finance Committee approve a draft budget in December, this is then approved by Full Council in January and submitted to WLDC.	X			14.2.23
42	Reserves	Y	The Council is still working towards accumulating a General Reserve sufficient to cover 3 months funding of overheads. The ring fenced funds are being currently audited to ascertain levels of funding available for various projects, The aim is to complete this by 31.3.23.	X			14.2.23
43	Unexplained budget variances reported to Council	Y	An Income and Expenditure Report is provided to Council on a monthly basis. Any necessary emergency spending is reported to Council. The Finance Committee are aware of, and monitor any income and expenditure variances. Documents re published on the Parish Council website.	X			14.2.23
		Y	Agreed t the Full Council meeting in January,	X			14.2.23

44	Precept Demand properly minuted		signed and minuted. (2023/24 £246,120 + £100 WLDC contribution)				
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	Asset Control	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
45	Register of Assets <ul style="list-style-type: none"> <li>● Reviewed</li> <li>● Up to date</li> </ul>	Y	The Asset Register is currently being altered to reflect Charity Status – the Parish Council is technically the Custodian Trustee Recreation Ground Charitable Trust, which encompasse the St Andrew’s Community Centre and the Memorial Field. The change in status has occurred in the last year. Several major assets will now be listed as nil value, following the handover to the Trustees, This is a procedural correction. Asset disposal forms are to be completed and registered on the system for assets over £100. Following on from the External Auditors comments for 2021/2022 the assets for which the Council acts as Custodian Trustee were incorrectly include in the AGAR.		X		14.2.23
46	Assets Inspected and Health & Safety Issues Considered	Y	St Andrew’s Community Centre – caretaker undertakes regular safety checks of the building. Play Area and Wheeled Park – weekly safety checks carried out. Mill Lane Building – grounds staff undertake regular checks Bowls Club & Tennis Club – as they are part of the handover to the Trustees, they will now undertake checks. An annual H&S audit by external advisors is undertaken. (Jan/Feb) The report will highlight any actions to be taken and this will be reported to Council. Fixed wiring tests are	X			14.2.23



			undertaken every 5/10 years. PAT tests are carried out annually on all premises. H&S Compliance score for 2023 – report not yet received.				
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	Proper Process/Practice	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	

47	Employee posts properly recorded <ul style="list-style-type: none"> <li>• Proper Officer (Clerk) &amp; RFO 1</li> <li>• Assistant Clerk 1</li> <li>• Grounds Manager 1</li> <li>• Grounds staff 2</li> <li>• Caretaker 2</li> </ul>	Y	Annual HR review completed January 2023. Compliance score unavailable – report not yet received. Job descriptions and contracts are in place. Some contracts are due to be updated – staff are aware – this is to be completed by the end of April 2023.	X			14.2.23
48	List of Members Interests recorded/displayed on website	Y	Councillors are regularly reminded to update this if there are any changes. All are displayed on the website.	X			14.2.23
49	Agenda Documents Correct	Y	Available to the general public on the website.	X			14.2.23
50	Minutes Correct/Signed	Y	Draft copy available on the website. Hard copy (signed) kept in the office, scanned copy on the office network. Seen monthly by the Internal Auditor.	X			14.2.23
51	Purchase Order System used/correct	Y	System in place, Purchase order number on all invoices.	X			14.2.23
52	Purchasing Authorised in line with Financial Regulations/limits (and within budget)	Y	Items above £1000 approved by full Council. £500-£999 approved by a delegated committee. A review of the Financial regulations is ongoing. Where quotes are required these go to full council for decision and approval.	X			14.2.23

			Any emergency purchases are initially approved by the Chair/Vice Chair , and will then go to full council for approval.				
53	Council operating within legal powers	Y	Recreation Ground Trustees. Following legal consultation and consultation with the Charity Commission, it has now been ascertained that Saxilby PC are the Custodian Trustees of the Recreation Ground. They continue to own outright the Mill Lane facilities. There is a Project Plan in place to ensure the Parish Council operates within the legal boundaries of being a Custodian Trustee. This is ongoing. There is a lease/management agreement to be put into place for the Community Centre, Wheeled Park & Play Area. The Bowls Club and the Tennis Club are ultimately seeking to take on a lease from the Trustees. All the Sports Clubs will have a Service Level Agreement in place with the Council to use the changing rooms at the St Andrew's Community Centre. The Football Club and the Cricket Club are seeking an agreement with the Council for a maintenance contract for the sports field.		X		14.2.23
54	Delegation Limits <ul style="list-style-type: none"> <li>● Set out in Financial Regulations</li> <li>● Adhered to</li> <li>● Reported adequately</li> </ul>	Y	The RFO has certain delegated powers – I.e. to change Energy Suppliers. The RFO can transfer funds between bank accounts and set up Direct Debits (subject to the normal authorisation). The Finance Committee review all payments that have been made.	X			14.2.23

	Risk Management	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
55	Evidence of unusual activity		See section 53	X			14.2.23
56	Annual Risk Assessment undertaken (as a minimum)	Y	Trees – Council owned trees have been identified. Tree mapping is to be undertaken & quotes to be sought for an annual		X		14.2.23

			arborialist inspection, in order to identify areas of risk which can be effectively managed going forward. The policy is reviewed quarterly. Risk assessments – plan in place – weekly meeting are being undertaken.				
57	Insurance Cover <ul style="list-style-type: none"> <li>● Reviewed Annually</li> <li>● Public Liability Cover</li> <li>● Employees Fidelity Guarantee</li> <li>● Key person cover</li> <li>● Councillor age reviewed/recorded</li> </ul>	Y	Renewed Sept 2022. Council policy includes all areas until Sept 2023 when it will be reassessed following the recent changes. Provider is BHIB, Councillor age not required to be recorded.	X			14.2.23
58	Financial Controls and procedures documented	Y	Financial Regs to be reviewed by RFO and Internal auditor to check on procedures. The payroll procedure is undertaken by Saul Fairholm.	X			14.2.23
59	Regular financial reporting to Council (in line with Financial Regulations)	Y	Monthly reports to Financial Committee. Full Council review End of Year Figures, Budgets, Precept and items required for approval according to the Financial Regs.	X			14.2.23
60	Reporting of bank balances minuted	Y	Monthly to the Finance Committee (held with the minutes) Published on the Website	X			14.2.23
61	S.137 (and other grants) ratified/minuted	Y	Reported in the full Council Minutes and separate records kept of grants awarded.	X			14.2.23

	Charities	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
62	Accounted for separately		See 53 - ongoing		X		14.2.23
63	Independently Audited		See 53 - ongoing		X		14.2.23

64	Returns filed within legal time limits		See 53 - ongoing		X		14,2,23
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	Payroll & HR	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
65	Contracts of employment for all staff	Y	Paper copies signed by staff, scanned copies held on network.	X			14.2.23
66	Proper procedures for payroll, PAYE & NI	Y	Saul Fairholm (external payroll provider) calculates amounts based on figures submitted by the Paris Council. They also notify the council of amounts of Tax, NI and calculate and manage pension contributions.	X			14.2.23
67	PAYE & NI payments verified	Y	As above – Saul Fairholm	X			14.2.23
68	Approval of salaries and increments	Y	Reviewed annually in April. The Council pays 1% above the NLW. The Personnel Committee will initially review and any changes will be agreed and ratified by Full Council, The Council are currently looking at moving all staff over to NJC payscales – this is ongoing.	X			14.2.23
69	Approval of expense claims	Y	Staff expenses are approved on a monthly basis by Councillors signing off the payroll spreadsheet.	X			14.2.23
70	Minimum wage threshold met	Y	Saul Fairholm will advise when the legislation changes,	X			14.2.23
71	HR procedures and policies adopted/reviewed	Y	There is an annual review of policies. Stallard Kane advise on all aspects of HR Procedures and Policies, and on Employment Law.	X			14.2.23
72	Training policy and record for staff/elected Members	Y	There is a Training Policy in place which is currently being reviewed. There are records kept of all staff and councillor training.	X			14.2.23

73	Qualified Clerk	Y	CiLCA qualified clerk. Assistant clerk studying towards ICCA	X			14.2.23
74	Annual appraisal undertaken	Y	The Clerk's annual appraisal is undertaken by members of the Personnel Committee , The clerk carries out appraisals for all other staff. The Clerk's appraisal is due in March 2023, other staff March/April 2023	X			14.2.23
75	Job description up to date/reviewed	Y	The RFO & Grounds Manager positions were reviewed independently in March 2022. The remaining staff job descriptions are up to date. As part of the recruitment process the job description will be reviewed at the time of engagement.	X			14.2.23
76	H&S review of staff workstation & PC equipment undertaken	Y	This is undertaken annually and any adjustments are carried out if necessary. Review is currently due at the end of the financial year.	X			14.2.23

	General	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
77	Have previous audit issues been addressed	Y	All comments recorded by both the External and Internal Auditors have been noted by the Council and where necessary remedial actions have been/ are being undertaken.		X		14.2.23
78	Eligible to adopt GPC	N	Not eligible	X			14.2.23
79	Back up of files adequate	Y	The Council uses Sharepoint. All backed up via IT Provider.	X			14.2.23
80	Storage of files (paper and electronic) adequate	Y	Electronic – yes. Burial Records on computer from Record Books – manually transferred from Record Books to spreadsheets. Other records held in locked storage facilities on site.	X			14.2.23

81	Arrangement for inspection of public records adequate	Y		X			14.2.23
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	Burial Authority	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
82	Income for burials/permits balance	Y	Individual burials have their own records in place. The RFO is planning to create a system whereby at any one time burials and income for any one year can be easily audited.	X			14.2.23
83	Fees charged in accordance with approved rates	Y	To be reviewed in March 2023.	X			14.2.23
84	A legible plan of all burials is evident and maintained	Y	Held on the Parish Council system – updated on a regular basis,	X			14.2.23
85	Statutory records kept/stored safely	Y	<p>Stored electronically by the PC on their system.</p> <p>An inspection of all headstones for burial and interment of ashes has been carried out. Those that have been deemed to be unsafe have been staked with a notice attached – these need to be made safe or laid flat. An additional budget has been allocated for remedial works. Decisions still need to be made regarding contact of living relatives. Records of this work have been kept by the Parish Council.</p> <p>Statutory records and originals are locked away. There is also a record of exhumations.</p>	X			14.2.23
86	All interred ashes have Certificates of Cremation	Y	Historic certificates are filed. Current certificates are on the network and the paper version is filed. Proper procedures are in	X			14.2.23

			place.				
87	Permits properly documented and stored	Y		X			14.2.23

	Allotment Authority SPC does not currently have allotments	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
88	Income for allotment rentals balance		N/A				
89	Fees charged in accordance with approved rates		N/A				
90	Up to date occupancy details kept and securely retained		N/A				
91	Agreements/licences issued to all plot holders		N/A				
92	Other		N/A				

	Market Authority SPC is not a market authority	Y/N	Comments & Recommendations	RISK			Date of audit
				Low	Med	High	
93	Income for stall hire balances		N/A				
94	Fees charged in accordance with approved rates		N/A				
95	Up to date occupancy details kept and securely retained						
			N/A				

96	Statutory records kept/stored safely						
97	Agreements/licences issued to all stall holders		N/A				
98	Other		N/A				