



Lincolnshire Association of Local Councils

Internal Audit Checklist 2022/23

Name of Parish or Town Council	Pointon and Sempringham Parish Council		
Parish Council website	https://pointon.parish.lincolnshire.gov.uk		
Name of internal auditor	Kirsty Sinclair		
Date of audit	17/03/2023		
Type of audit (Please tick)	Intermediate	<input checked="" type="checkbox"/>	Year-end (including AGAR) 2023
Council contact information	Name	Email	
Clerk	Rowena Boden	Pointon.parish@gmail.com	
RFO* if different	As above		
Chairman*	Dean Wesley	dcwesleypointonpc@outlook.com	
Electorate		Total number of seats	7
Quorum	3	Number of councillor vacancies	0
Precept Demand 2022/23	£10,017	Gross budgeted Income	Not known
Date of most recent audit	19/07/2022	Date of next audit agreed with Clerk	Mid 2023
	Y/N	Comments	
Has the internal auditor seen previous audit reports including the most recent?	Yes	<p>An audit was carried out on 19/07/2022 by Mr A Everard as appointed by LALC.</p> <p>The previous report produced highlighted that insufficient actions were taken since the previous audit and that following procedures needed addressing:</p> <ul style="list-style-type: none"> • Several policies need to be adopted by Council, including Councillor Code of Conduct and Complaints Policy • A HR or Staffing Committee should be established 	

		<ul style="list-style-type: none"> • More transparent and accurate accounting systems need to be put in place • More regular bank reconciliations which are minuted to comply with the Financial Regulations • Actions resolved by council should be minuted clearly and minutes to be signed as accurate record at next meeting
Is there evidence that previous internal and external audit reports have been acted upon?	Yes	There is clear evidence that the newly appointed Clerk has taken many actions to comply with current legislation and best practices.

Key governance review		Y/N	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y	Updated Standing Orders were adopted in July 2022 and are displayed on the website.			
2	Financial regulations* (tailored and reviewed)	Y	Updated Financial Regulations were adopted in July 2022 and are displayed on the website.			
3	Terms of reference (committees / working groups)	N	Council appointed a Staffing Committee and accepted the Terms of Reference which was minuted in August 2022. However, the Terms of Reference are basic and not displayed separately on the website. <i>Recommendation for Terms of Reference to be more sufficient and be displayed separately on the website.</i>		X	
4	Code of Conduct* (elected members)	Y	The Council adopted a Code of Conduct based on the LGA/SKDC Code of Conduct in July 2022 and displayed on the website.			
5	Complaints procedure* (tailored and reviewed)	Y	A Complaints Policy was adopted in July 2022 and is displayed on the website.			
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 	Y	Insurance is in place but renewed without review. A full review of insurance needs to be implemented.			X

	<ul style="list-style-type: none"> Councillors' ages reviewed and recorded Other e.g. vehicles, assets, equipment, volunteers ... 					
7	Council contact details available online	Y	Email addresses for all Councillors and Clerk available on the website.			
8	Up to date employment contracts for all staff	Y	The Clerk was appointed in 2022 with an up-to-date contract.			
9	Publication scheme in place*	Y	The Council adopted a Publication Scheme in July 2022 which is displayed on the website. This complies with the Freedom of Information Act 2000.			
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	The Council adopted a Data Protection Policy and a Data Breach Policy in July 2022. These can be seen on the website and are adequate to comply with legislation.			
11	Arrangement for inspection of public records adequate*	Y	Adequate arrangements in place.			
12	External audit report published by 30 Sept (if relevant)*	N/A				

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y	The Annual Accounting Return was published in July 2022.			
14	Annual Governance statement published by 1 July* <ul style="list-style-type: none"> Correctly claimed exemption from audit (if relevant) 	Y	Annual Governance Statement Published in July 2022.			
15	Internal audit report published by 1 July*	Y	Internal Audit was completed in August 2022 after the AGAR had been approved. <i>Recommendation that the Internal Audit Report for 22-23 be completed before the AGAR is approved.</i>			X
16	Agendas and meeting papers published within three clear days*	Y	Since the appointment of a new Clerk, agendas have been published in accordance with the Local Government Act 1972 Schedule 12 paragraph 10 (2).			
17	Past 5 years of annual returns available online*	Y	All annual returns from 2017-18 are available on the website.			

18	Asset register published by 1 July*	N	The Council have an Asset Register which could be viewed in the Scribe software. However, this was not available on the website at time of audit. <i>Recommendation to publish the asset register on the Council website.</i>		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	Although not displayed at last audit in July 22, there is now a list of expenditure above £100 displayed on the website.			
20	Councillor responsibilities published by 1 July	N	Information for Councillors was present on the website but did not clearly show all Councillor responsibilities. <i>Recommendation to update website to show which members are on which Committees.</i>	X		
21	Draft minutes published within one month of the meeting	Y	Since the appointment of the new Clerk, minutes are published on the website and noticeboard within a timely manner			
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	Scribe accounting software is used regularly and kept up to date.			
26	Arithmetically correct (checks / balance)	Y	The accounts appear to be arithmetically correct.			
27	Evidence of internal control	Y	Two Councillors required to authorise online payments.			
28	VAT* • evidence of recording • evidence of reclaiming	N	No record of VAT reclaim within the year. <i>Recommendation that VAT is identified, evidenced and reclaimed accordingly.</i>			X
29	All payments supported by authorised, minuted invoices	Y	All payments are detailed within the minutes from July 2022 onwards.			
30	s.137* • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation	Y				
31	Payments made in accordance with financial regulations • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments	Y	All payments appear to be made in accordance with the Financial Regulations.			

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*	N	Although papers were circulated and an amount for precept demand has been minuted, it was not clear in the minutes of January 2022 the actual budget or reasons for increase. <i>Recommendation that the approved budget be recorded in the minutes in line with Section 3 of the Financial Regulations.</i>			X
33	Precept demand properly minuted*	N	The precept demand was not clearly minuted or resolved in the January 2022			X

			minutes. <i>Recommendation that the minutes state clearly the resolution and amount.</i>			
34	Earmarked reserves reviewed	N	There were reserves identified. This indicates that the Council does not have sufficient funds to cover unforeseen expenditure or risks. <i>Recommendation that Council introduce a reserve schedule and aim to have 3 months' worth of expenditure for unforeseen circumstances as indicated by best practice.</i>			X
35	Budget is monitored regularly with variances reported to council in line with Financial regulations <ul style="list-style-type: none"> • Variances from budget explained 	Y	A budget can be seen within the Scribe accounting software and spend against budget was reviewed at half year point.			

Income control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
36	Income properly recorded and banked promptly	Y	Income recorded within the Scribe accounting software and within the minutes.			
37	Precept income received in bank account	Y	Precept was received into bank account on 05/04/2022.			
38	Effective security of cash and cash transactions	N/A				
39	Effective security of card transactions	N/A				

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation	Y	Evidenced within the minutes, bank reconciliations are circulated and approved regularly.			
41	Balancing entries (adjustments) explained	Y	No balancing entries necessary.			
42	Bank mandate up to date <ul style="list-style-type: none"> • Evidence of signatories 	Y	Current bank mandate is functional. To date, RFO has been unsuccessful in being added to the mandate. <i>Recommendation that the RFO continues to contact the bank regarding becoming a signatory. Council</i>		X	

			<i>should also look at increasing the number of signatories to reduce risk.</i>			
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Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised	N/A				
44	Petty cash spending supported by VAT receipt(s)	N/A				
45	Petty cash reported to Council	N/A				
46	Petty cash float reconciled/reimbursed	N/A				
47	Other	N/A				

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to <ul style="list-style-type: none"> Income and expenditure Receipts and payments 	Y	Figures are stated using receipts and payments.			
49	Bank statements reconcile to ledger	Y	Bank statements do reconcile to the ledger.			
50	Robust audit trail evident	Y	The Clerk has put several practices in place in the last few months to ensure a robust audit trail.			
51	Debtors and creditors recorded	Y	All debtors and creditors are recorded effectively within the Scribe accounting software.			
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	Register of assets can be seen on the Scribe software which complies with the required format outlined in the Practitioners' Guide 2022-23 but it is not available on the website. It appears to be up to date and was last reviewed and minuted in			

			September 2022. <i>Recommendation that the asset register be available on the website.</i>			
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	N	Regular and annual playground inspections are instructed by an external agency. No evidence of a regular inspection schedule was available. <i>Recommendation that the Council implement an inspection schedule for all of the assets.</i>			X

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk management scheme in place	Y	There is a Financial Risk Assessment available on the website which was approved in November 2022.			
56	Annual risk assessment undertaken as a minimum	Y	There is a Financial Risk Assessment available on the website which was approved in November 2022 and to be reviewed annually. <i>Recommendation to add review date to the document as well as recorded within the minutes.</i>			
57	Financial controls and procedures documented	Y	Financial controls and procedures have been documented where necessary.			
58	Regular financial reporting to Council in line with Financial regulations	Y	Financial reporting has increased since the appointment of the new RFO.			
59	Reporting of bank balances minuted	Y	Bank reconciliations are produced and signed regularly which state bank balances and accompany the minutes.			
60	Grants ratified and minuted according to policy	N/A	An adequate Grant Policy was put in place in July 2022 but no applications have been received during this year.			
61	Evidence of unusual activity from minutes	Y	<ul style="list-style-type: none"> a) Overpayments to previous Clerk highlighted. b) Bank signatory refused to sign cheques. c) Clock purchased for Village Hall – the VAT should not be reclaimed on this purchase. 		X	

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	GPC <ul style="list-style-type: none"> • Council eligible • GPC adopted/ up to date 	N/A	Not eligible.			
63	Back up of files adequate	Y	There appears to be a lack of documents from previous years. However, the current Clerk has ensured adequate back up of files.			
64	Storage of files (paper and electronic) adequate	N/A	Not audited.			
65	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N/A	Not currently part of the Local Council Award Scheme.			
66	Website Accessibility Statement published online*	Y	Accessibility Statement published on website.			

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 	N	There was inadequate recording of the appointment of Clerk in 2022 as there was no formal resolution passed at this time.			X
68	List of Members' interests* <ul style="list-style-type: none"> • displayed on website • reviewed regularly 	Y	Link to members' interests is displayed on the website.			
69	Declarations of acceptance of office* <ul style="list-style-type: none"> • New Councillor • Chairman 	Y	These were available to view.			

70	Co-options according to policy	N	There was no co-option policy in place at the time of audit. <i>Recommendation that a co-option policy is adopted by Council.</i>			
71	Agenda documents correct	Y	Since the appointment of the new Clerk, agenda documents have been correct.			
72	Minutes correct / signed*	Y	Since the appointment of the new Clerk, minutes have been correct and signed.			
73	Purchase order system used/correct	Y	Since the appointment of the new Clerk, the purchase order system is being used correctly.			
74	Purchasing authorised in line with Financial regs / limits	Y	Purchases since the appointment of the new Clerk have been authorised inline with the Financial Regulations.			
75	Council operating within legal powers* <ul style="list-style-type: none"> Legal powers identified in minutes 	Y	Since the appointment of the new Clerk, the Council appears to be operating within its legal power. However, these are not identified in the minutes. <i>Recommendation to identify the legal powers within the minutes.</i>			
76	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 	Y	Some delegations have been identified within the Financial Regulations. Council may only delegate to the Clerk/RFO or a committee to comply with S101 of the Local Government Act 1972.			

Payroll & HR		Y/N	Comments & recommendations	Risk		
				Low	Med	High
77	Written statement of particulars for all staff from day one (April 2020 onwards)*	Y	Statement of particulars have been produced for new Clerk.			
78	Proper procedures for payroll, PAYE & NI*	Y	The HMRC Basic PAYE tools are used in-house and evidence of deductions being paid to HMRC are present on the			

			Scribe accounting software and on the bank accounts.					
79	Is payroll inhouse or external provider used?		In-house	X	External			
80	PAYE & NI payments verified	Y	Payments have been verified.					
81	Approval of salaries and increments	N	No evidence of this within the minutes of this year. However, there is now a HR/Staffing Committee in place.				X	
82	Approval of expense claims	Y	Expenses claims are approved and minuted adequately.					
83	Minimum wage threshold met	Y	Compliant.					
84	HR procedures and policies adopted / reviewed	N	There is no evidence of HR procedures and policies being adopted. Additionally, the formal appointment of the Clerk was not resolved and minuted correctly. <i>Recommendation to adopt a HR policy and expand the Committee's Terms of Reference.</i>					X
85	Training policy and record staff /elected Members	N	There does not appear to be a training policy adopted or reviewed within this financial year and there is no training record available for staff and members. <i>Recommend that the Council adopt a training policy and maintain a training record for both staff and members.</i>					X
86	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	N	The current Clerk is not CiLCA qualified but Council resolved to contribute to the CiLCA training for the Clerk.					
87	Annual appraisals undertaken	Y	The Clerk received an appraisal in August 2022 which was minuted accordingly.					
88	Job description up to date / reviewed	Y	Compliant.					
89	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> • Display Screen Equipment 	N	No evidence of this taking place. <i>Recommendation that the Clerk carry out a self-assessment and report this to the HR/Staffing Committee.</i>					
90	Adequate Pension provision in place	N/A	LGPS		Tick			

		NEST				Tick			
		Other				Identify			
• Automatic Enrolment for Staff*	N/A	Y		N		DD/MM/YYYY			
• Opt Out Evidenced*	N/A	Y		N		DD/MM/YYYY			
• Declaration of Compliance*	N/A	Y		N		DD/MM/YYYY			
• Redeclaration of Compliance	N/A	Y		N		DD/MM/YYYY			

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	08/09/2022	23/08/2022	23/08/2022	21/02/2023	07/03/2023	07/03/2023
Item / budget heading	Grass cutting – Pointon Community Playing Field	Staff Expenses	LALC – Website maintenance	Pointon Football Club -Income	Staff Expenses	Staff Expenses
Reference / Cheque number	841	836	832	BACS	859	859
Order minute reference						
Delivery evidence		Receipts present			Receipts present	Receipts present
Payment minute reference	22057	22041	22041	Not yet recorded in minutes	22126	22126
Invoice value	£567.00	£19.45	180.00	£120.00	£6.85	£12.60
Minute value	£567.00	£19.45	180.00		£6.85	£12.60
Payment value	£567.00	£19.45	180.00	£120.00	£6.85	£12.60
Statement value	£567.00	£19.45	180.00	£120.00	£6.85	£12.60
Timely payment	yes	yes	No – 3 months	yes	yes	yes
VAT recorded	N/A	N/A	yes	N/A	N/A	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			Paid once new Clerk in post.	To be included in April 2023 minutes		

Appendix: Additional Areas for Audit (Council Specific)

None identified.

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.

ⁱ **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.