



Lincolnshire Association of Local Councils

Internal Audit Checklist 2022/23

Name of Council		Spilsby Town Council		
Parish Council website		https://spilsby.parish.lincolnshire.gov.uk/		
Name of internal auditor		Steve Fletcher		
Date of audit visit		8 th March 2023		
Type of audit		Intermediate	✓	Year-end (including AGAR) ✗
Council contact information		Name	Email	
Clerk (Acting)		Jack Sargant	spilsbytowncouncil@btconnect.com	
RFO (if different)		-	-	
Chairman		Cllr T Kemp	thomas.kemp.stc@gmail.com	
Electorate	2299	Total number of seats		14
Quorum	5	Number of councillor vacancies		1 (Note: website shows 2 vacancies)
Precept Demand 2022/23	£125,000	Gross budgeted Income		n/a
Date of most recent audit	May 2022	Date of next audit		TBC – AGAR and year end
		Y/N	Comments	
Has the internal auditor seen previous audit reports including the most recent?		Y	Yes – undertaken by same auditor	
Is there evidence that previous internal and external audit reports have been acted upon?		Y	Yes – Report presented to Town Council – evidenced minutes.	

Key governance review		Y/N	Comments & recommendations	Risk		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y	May 2022. Evidenced - Website https://spilsby.parish.lincolnshire.gov.uk/council-business/policies/37	✓		
2	Financial regulations (tailored and reviewed)	N	May 2021. Evidenced - Website https://spilsby.parish.lincolnshire.gov.uk/council-business/policies/18		✓	
3	Terms of reference (ToR) (committees / working groups)	Part	Terms of reference were considered for specific groups (i.e., Kings Coronation) but there are no specific ToR's displayed on the website (best practice). Ongoing process.	✓	✓	
4	Acceptance of Office (elected Members)	Y	Evidenced - Files	✓		
5	Code of Conduct (elected Members)	Part	April 2020. Evidenced – Website. The Council should review. ELDC adopted a revised code based on the updated national code of conduct in May 2022. https://spilsby.parish.lincolnshire.gov.uk/council-business/policies/5		✓	✓
6	Complaints procedure (tailored and reviewed)	Part	April 2021. Evidenced – Website. The Council should review part of this procedure as soon as possible. (note: Hillingdon Rule).		✓	✓
7	Insurance Cover <ul style="list-style-type: none"> • Reviewed annually. • Certificate(s) viewed & valid. • Employees' Liability Cover in place and <u>published</u>. • Public Liability Cover • Employees' Fidelity Guarantee • Councillors' ages reviewed and recorded. • Other e.g., assets, equipment, volunteers ... 	Part	Insurance cover (2022/23) in place. Evidenced – physical sight of hard copy document. Insurance certificates are not displayed (published) on the website (best practice).	✓	✓	
8	Council contact details available online	Y	Evidenced - Website	✓		

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
9	Internal controls (statement or review)	Y	Within adopted SO's and Fin Regs	✓		
10	Investment Strategy / Reserves Policy	Part	April 2016. Evidenced – Website The Council should update this policy and consider adoption of investment strategy to protect public funds.		✓	
11	Publication scheme (reviewed)	N	Not evidenced. It is a duty of the Council to adopt and review a publication scheme.			✓
12	Risk Register (statement review)	Y	November 2019. Evidenced – website. Review necessary. https://spilsby.parish.lincolnshire.gov.uk/council-business/policies/32		✓	✓
13	Pay policy (staff - reviewed)	Y	Within contracts of employment	✓		
14	Spending authorised	Y	Evidenced - minutes and website	✓		
15	Procurement correctly administered	Y	Evidenced – minutes and website	✓		
16	Land and assets (reviewed)	Y	As part of insurance process	✓		
17	Adequate GDPR policies / procedures in place	Y	Displayed on TC website (review necessary)	✓	✓	
18	Arrangement for inspection of public records adequate	Y	Displayed on TC website	✓		

Transparency codes mandatory for councils with turnover under £25k and over £200k – Best Practice for all councils

19	All items of expenditure above £100 published by 1 July	Y	Evidenced – website https://spilsby.parish.lincolnshire.gov.uk/downloads/download/14/payments-and-receipts?downloadID=14	✓		
20	End of year accounts published by 1 July	Y	Evidenced – website.	✓		
21	Annual Governance statement published by 1 July	Y	Evidenced – website. https://spilsby.parish.lincolnshire.gov.uk/downloads/file/274/2021-22-agar	✓		
22	Internal audit report published by 1 July	Y	Evidenced – website. https://spilsby.parish.lincolnshire.gov.uk/downloads/file/268/2021-22-internal-audit-report	✓		

23	Asset register published by 1 July	N	The asset register was discussed at the Annual Meeting 2022 but remains unpublished.	✓	✓	
24	Agendas and meeting papers published within three clear days	Y	Evidenced – website.	✓		
25	Draft minutes published within one month of the meeting	Y	Evidenced - website	✓		

Accounting		Y/N	Comments & recommendations	Risk		
				Low	Med	High
26	Cashbook maintained and up to date	Y	Scribe accounts up to date – evidence – verbal assurance.	✓		
27	Arithmetically correct (checks / balance)	Y	Amounts checked and balanced	✓		
28	Evidence of internal control - reconciliation	Y	Evidenced minutes	✓		
29	VAT <ul style="list-style-type: none"> evidence of recording evidence of reclaiming 	Y Y Y	Evidenced – Scribe software. Evidenced – Scribe software. Reclaims in progress	✓		
30	All payments supported by authorised, minuted and invoiced	Y	Evidenced – minutes / files	✓		
31	s.137 <ul style="list-style-type: none"> Recorded separately within accounts Within legal threshold limits for the current year Spend in accordance with legislation 	Y	Evidenced Scribe software (poppy wreath)	✓		
32	Payments made in accordance with financial regs <ul style="list-style-type: none"> Cheques Online banking BACS Direct Debit Credit or debit cards 	Y Y Y Y Y	Evidenced – Scribe software, bank statements, minutes.	✓		

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept	Y	Evidenced - Minutes	✓		
34	Precept demand properly minuted	Y	Evidenced - Minutes	✓		
35	Earmarked reserves and general reserves reviewed	Y	Evidenced - Minutes	✓		
36	Budget is monitored regularly with variances reported to council in line with Financial regulations	Y	Evidenced - Minutes	✓		

Income control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
37	Income properly recorded and banked promptly	Y	Evidenced – Minutes and bank statements	✓		
38	Precept income received in bank account	Y	As above	✓		
39	Effective security of cash and cash transactions	Y	As above	✓		
40	Effective security of card transactions	Y	As above	✓		

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
41	Regular bank statement reconciliation	Y	Evidenced - files	✓		
42	Balancing entries (adjustments) explained.	n/a	n/a	-	-	-
43	Bank mandate up to date • Evidence of signatories	Y	Updated during 2022/23 financial period	✓		

Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
44	Petty cash account used/authorised	Y	Advice- Petty cash not used for 1 year – cancel use of petty cash in the next financial year.	✓		
45	Petty cash spending supported by VAT receipt(s)	n/a	-	-	-	-
46	Petty cash reported to Council	n/a	-	-	-	-
47	Petty cash float reconciled/reimbursed	n/a	-	-	-	-

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to <ul style="list-style-type: none"> Receipts and payments 	Y	Evidenced – physical sight of documentation reconciled to Scribe accounting software system.	✓		
49	Bank statements reconcile to ledger	Y	Evidenced – physical sight of documentation reconciled to Scribe accounting software system.	✓		
50	Robust audit trail evident	Y	Evidenced – physical sight of documentation reconciled to Scribe accounting software system.	✓		
51	Debtors and creditors recorded	Y	Evidenced – physical sight of documentation reconciled to Scribe accounting software system.	✓		

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
52	Register of assets <ul style="list-style-type: none"> Reviewed Up to date 	Y	Reviewed 2022 – (note: remains unpublished).	✓		
53	Assets inspected and Health & Safety issues considered <ul style="list-style-type: none"> Play equipment Street furniture Fire equipment (office) Defibrillator(s) (LIVES) 	Y	Periodic inspections undertaken weekly / monthly as necessary and recorded (verbal assurance Clerk / Deputy).	✓		

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
54	Risk Management scheme in place	Part	November 2019. Evidenced – website. https://spilsby.parish.lincolnshire.gov.uk/council-business/policies/32		✓	
55	Evidence of unusual activity from minutes	N		✓		
56	Annual risk assessment undertaken as a minimum	Part	Work in progress	✓	✓	
57	Financial controls and procedures documented	Y	See 2 above	✓		
58	Regular financial reporting to Council in line with financial regulations	Y	Evidenced minutes	✓		
59	Reporting of bank balances minuted	Y	Evidenced minutes	✓		
60	Grants ratified and minuted according to policy	Y	Evidenced minutes	✓		
61	Back up of files adequate	Y	Evidenced – PC – Dropbox	✓		

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	GPC <ul style="list-style-type: none"> •Council Eligible •GPC adopted 	N	Clerk interested in ILCA and CiLCA	✓		
63	Back up of files adequate	Y	Backed up to external hard drive	✓		
64	Storage of files (paper and electronic) adequate	Y	Evidenced – Locked cupboards and filing cabinets with clear retention and destruction dates. Fireproof storage recommended – the Council has a <u>duty</u> to safely retain and store numerous documents.	✓	✓	
65	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N	Council could consider scheme – this gives assurance and confidence of the Council abilities to its electorate	✓		
66	Website Accessibility Statement published online	Y	Evidenced – website https://spilsby.parish.lincolnshire.gov.uk/accessibility	✓		

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
67	Employee posts properly recorded. <ul style="list-style-type: none"> • Proper Officer (Clerk) & RFO • Deputy Clerk 	Y	Clear files of HR records and posts advertised and filled. All contracts based on NJC contracts of employment.	✓		
68	List of Members' interests <ul style="list-style-type: none"> • displayed on website • reviewed regularly 	Y	Evidenced – website https://democracy.e-lindsey.gov.uk/mqParishCouncilDetails.aspx?ID=369&LS=3	✓		
69	Declarations of acceptance of office <ul style="list-style-type: none"> • New councillor • Chairman 	Y	Evidenced – physical sight of documentation	✓		
70	Co-options according to policy	Y	Evidenced - minutes	✓		
71	Agenda documents correct	Y	Evidenced – physical sight of documentation. Agendas published on the website and town noticeboards	✓		
72	Minutes correct / signed	Y	Evidenced – physical sight of documentation. Minutes published on the website.	✓		
73	Purchase order system used/correct.	n/a	Orders are placed verbally or via email – accepted practice.	✓		
74	Purchasing authorised in line with Financial regs / limits	Y	As above	✓		
75	Council operating within legal powers.	Y	No evidence of any illegal activities	✓		
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	Evidenced – Standing Orders and Financial Regulations	✓ ✓		

Employment		Y/N	Comments & recommendations	Risk		
				Low	Med	High
77	Contracts of employment for all staff	Y	Evidenced – physical sight of documentation / minutes.	✓		
78	Written statement of particulars for all staff from day one (April 2020 onwards)	Y	Evidence – Contracts of employment issued prior to or on 1 st day of employment	✓		
79	Proper procedures for payroll, PAYE & NI	Y	Evidenced – physical sight of documentation. HMRC Basic PAYE being used to calculate tax and notify HMRC prior to payment. Payslips are generated off the HMRC Basic PAYE system.	✓		
80	PAYE & NI payments verified	Y	Evidenced – physical sight of documentation – files, bank statements.	✓		
81	Approval of salaries and increments	Y	Evidenced – physical sight of documentation / minutes.	✓		
82	Approval of expense claims	Y	Evidenced – physical sight of documentation - Scribe software, bank statements.	✓		
83	Minimum wage threshold met	Y	Evidenced – physical sight of documentation. NJC salary scales.	✓		
84	HR procedures and policies adopted / reviewed	Y	CSL PC retains services of specialist HR advisor - PASL	✓		
85	Training policy and record staff /elected Members	Y	March 2020. Evidenced – website https://spilsby.parish.lincolnshire.gov.uk/council-business/policies/38	✓	✓	
86	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	N	Clerk & RFO interested in attaining ILCA / CiLCA	✓		
87	Annual appraisal(s) undertaken	Y	Undertaken September 2022	✓		
88	Job description(s) up to date / reviewed	Y	Evidenced - files.	✓		
89	Health and safety of staff workstation & PC equipment undertaken. <ul style="list-style-type: none"> • Display Screen Equipment 	N	Clerk & Deputy Clerk Advised. The Council has a duty of care under H&S Legislation.		✓	✓

90	Adequate Pension provision in place	Y	LGPS			x	✓		
			NEST			✓			
			Other			x			
91	• Automatic Enrolment for Staff	Y	✓	N		Evidenced – original documents	✓		
	• Opt Out Evidenced	Y		N		n/a			
	• Declaration of Compliance	Y		N		2019			
	• Redecoration of Compliance	Y	✓	N		February 2023			

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	29.04.22	31.05.22	31.08.22	30.09.22	30.12.22	18.01.23
Item / budget heading	WAVE	Colour Frog	ELDC	RB PAT Testing	Time to Frame	Welton Garden Services
Reference / Cheque number	7	15	86	97	155	176
Delivery evidenced	✓	✓	✓	✓	✓	✓
Payment minuted	✓	✓	✓	✓	✓	✓
Invoice value	27.47	128.47	255.00	34.00	58.00	576.00
Minute value / payment schedule agrees	✓	✓	✓	✓	✓	✓
Payment value agrees	✓	✓	✓	✓	✓	✓
Statement value agrees	✓	✓	✓	✓	✓	✓
Timely payment	✓	✓	✓	✓	✓	✓
VAT recorded	n/a	21.41	21.25	n/a	n/a	96.00
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	Reserves Balance as at 07.03.2023: £50,081.06			Bank reconciliation as at 28.02.2023: £55,967.86		