

Scotter Parish Council Internal Audit Checklist 2019/20

Name of Council	Scotter Parish Council	Name of Clerk:	Nicola Alltoft - resigned Aug 2020 Rachael Reddin Temp Sept 2020
No. of councillors	8 of 10	Name of RFO	Nicola Alltoft - resigned Aug 2020 Rachael Reddin Temp Sept 2020
Quorum	4	Precept	£ 51,900 - Min 116 2018/19
Electorate		Gross budgeted income	£ 4,200 - Min 116 2018/19

1. Book Keeping			
1.1. Ledger maintained and up to date?		No	No ledger located – Receipts/Payment schedule has been produced by RR based on documents located.
1.2. Arithmetic correct?			
1.3. Evidence of Internal Control?		No	No evidence identified as required by Financial Regulations & Audit requirements
1.4. VAT evidence, recording and reclaimed?			No documents located
1.5. Payments in ledger supported by invoices, authorised and minuted? (see schedule)		No	Various discrepancies with Invoices & Cheques - Unknown payments of £ 374.00 Unknown Payees of £292.78
1.6. S137 separately recorded and within limits?		No	Various Grants/Donations £ 18171.88 not recorded in minutes as s137
1.7. S137 expenditure of direct benefit to electorate?			£ 0

2. Due Process			
2.1. Standing Orders adopted since 2013?		No	Last review 17/05/10
2.2. Standing Orders reviewed at annual meeting?		No	
2.3. Financial Regulations adopted?		No	Last review 17/05/10
2.4. FRs properly tailored to council?		No	
2.5. Equal Opportunities policy adopted?		No	
2.6. Adequate internal controls for payments?		No	No Recorded evidence identified
2.7. List of member interests held?		No	No documents located
2.8. Agendas signed, informative and displayed with 3 clear days' notice?		No	No documents located
2.9. Purchase orders raised for all expenditure?		No	None Located
2.10. Purchasing authority defined in FRs?		?	No Bank Mandate
2.11. Legal powers identified in minutes and/or cashbook?		No	
2.12. Committee terms of reference exist and have been reviewed?			No Committees

3. Risk Management

3.1. Does scan of minutes reveal any unusual activity?	Yes		May apm Min 12 No record of Cllrs signing election declarations. Min 56 Co-options should be Open & Transparent – NOT an exclusion. No minutes of any resignations. No October, December, January, February or March minutes.
3.2. Annual risk assessment carried out?		No	No documents located
3.3. Insurance cover appropriate and adequate?			AON - £ 1,895.39
3.4. Evidence of annual insurance review?		No	No documents located
3.5. Internal financial controls documented and evidenced?		No	
3.6. Minutes initialled, each page identified and overall signed?		No	Unsigned copy on website Signed Minutes not located
3.7. Regular reporting and minuting of bank balance?		No	Not identified
3.8. S137 expenditure minuted?		No	

4. Budget

4.1. Annual budget to support precept?	Yes		Min116 2018/19
4.2. Has budget been discussed and adopted by council?	Yes		Min116 2018/19
4.3. Any reserves earmarked?	Yes		£ 71,636.00 Mower/Memorial/Rookery etc
4.4. Any unexplained variances from budget?		?	
4.5. Precept demand correctly minuted?	Yes		Min11 2018/19

5. Payroll - Clerk / RFO

5.1. Contract of employment?			Not located
5.2. Does council have public liability cover?			No documents located
5.3. PAYE / NI evidence?			Paid £ 5,222.37
5.4. Has council approved salary paid?			Paid £ 13268.43
5.5. Other payments reasonable and approved by council?			
5.6. Pension obligations met?			No Pension Regulator documents located
5.7. Tax code(s) issued?			No documents located
5.8. Complaints procedure in place?			No documents located

6. Payroll - Village Person

6.1. Contract of employment?			Not located
6.2. Does council have public liability cover?			No documents located
6.3. PAYE / NI evidence?			No documents located
6.4. Has council approved salary paid?			Paid £ 15124.61
6.5. Other payments reasonable and approved by council?			?
6.6. Pension obligations met?			?
6.7. Tax code(s) issued?			No documents located
6.8. Complaints procedure in place?			No documents located

7. Asset Control

7.1. Does council keep a register of all material assets owned?			Not located - Box 9 @ £ 160,634
7.2. Is asset register up to date?		No	
7.3. Value of individual assets included?		No	
7.4. Inspected for risk and up to date inspection records exist		No	
7.5. Record of deeds, articles and land register references available?		No	

8. Bank Reconciliations

8.1. Is there a bank reconciliation for each account?			Produced by RR
8.2. Reconciliation carried out on receipt of statement?		No	No evidence on Bank Statements Dec19 statement missing
8.3. Any unexplained balancing entries in any reconciliation?			

9. Year End Procedures

9.1. Yearend accounts prepared on correct accounting basis?			Receipts/Payment documents have been produced by RR based on documents located to enable the IA process.
9.2. Bank statements and ledger reconcile?	Yes		As 9.1
9.3. Underlying financial trail from records to presented accounts?	Yes		As 9.1
9.4. Where appropriate, debtors and creditors properly recorded?	Yes		As 9.1
9.5. Has council agreed, signed and minuted sections 1 & 2 of the annual return?		No	Not presented as required to submit by August 2020

10. Miscellaneous

10.1. Have points raised at the last audit been addressed?			Public Interest Report was issued for the failure to submit an AGAR for 2018/19
10.2. Has the council adopted a Code of Conduct since July 2012			?
10.3. Is eligibility for General Power of Competence properly evidenced?			?
10.4. Are all electronic files backed up?		No	
10.5. Do arrangements for public inspection of councils' records exist?		No	No documents located

Recommendations

The Council need to be fully aware of the extent of the situation and need to action plan to regulate.

A Public Interest Report was issued for the failure to submit an AGAR for 2018/19 dated 16th October 2019.

The Parish Council have only recently acted on this PIR - Extra-Ordinary Meeting held on 21st September 2020 - min 2009/009

It should be noted that the 2019/20 AGAR will not be audited until the previous year 2018/19 has been completed and the External Audited Report and Certificate has been issued.

Documents required to undertake the Internal Audit have not been located, as the filing cabinet in the PC office only has paperwork up to 2012/2013.

The Cemetery fees on the website are dated 2010, as are the standing orders located on the PC Laptop.

A search of the PC website does not have any financial information and no evidence of compliance with Transparency Regulations.

Documents required to carry out the 2019/20 Internal Audit consist of: -

Standing Orders / Financial Regulations / Equal Opportunity Policy / Grants Policy / Cllrs Declarations of Interest / Code of Conduct / All Council & Committee Agendas / Signed Council Minutes / Insurance Policy / Asset Register / Deeds Articles - Land Register / Risk Assessments / Rental Contracts / Contracts of Employment / VAT records / Pension docs / HMRC – PAYE/NI & VAT documents / Cemetery documents / Allotment documents / Bank Mandate.

	Year ending 31 March 2019	Year ending 31 March 2020
1. Balances brought forward	86779	73485
2. Annual precept	49500	51900
3. Total other receipts	1783	11821
4. Staff costs	32841	28671
5. Loan interest/capital repayments	0	0
6. Total other payments	31736	32270
7. Balances carried forward	73485	76265
8. Total cash and investments	73485	76265
9. Total fixed assets and long-term assets	160634	160634
10. Total borrowings	0	0

Internal audit carried out by	<i>BK Brooks</i>	BK Brooks CiLCA
Audit type – Final		
Date		

For auditor's use only	
Section 4 of Annual Return Form completed and signed	
Report/letter sent to council	