Yorkshire Local Councils Associations Internal Audit Service

Checklist for Year Ending 31 March 2020

Name of Council	Foston & Thornton Le Clay Parish Council	Name of Clerk:	Fiona Hill
No. of councillors	6	Name of RFO (if different)	
Quorum	3	Precept	£1,250
Electorate		Gross budgeted income	

Book Keeping

FAH

			Observations	~~Suggested advice to be given by YLCA~~
1.1. Ledger maintained and up to date?	Yes		Excellent and through spreadsheet. We would suggest that the totals to be included at the bottom of the worksheet as well as the top of the worksheet	
1.2. Arithmetic correct?	Yes		All balanced	
1.3. Evidence of Internal Control and effectiveness of this reviewed	Yes		Financial internal controls completed	
1.4. VAT evidence, recording and reclaimed?		No ✓	A charge of £67 in August 2019 for VAT has not yet been reclaimed. A reclaim on VAT From 126 should be made within 12 months, no evidence provided. Reclaimed May 20	Reclaimed May 20
1.5. Payments in cashbook supported by invoices, authorised and minuted?	Yes		Invoices and statements provided	
1.6. S137 separately recorded and within limits?	Yes		No grants provided	
1.7. S137 expenditure of direct benefit to electorate?	Yes	✓ No	N/A	
1.8. S137 expenditure minuted?	Yes	✓ No	N/A	
1.9. Does the Council manage petty cash and is it accounted for properly and included in the AGAR figures	Yes	✓ No	N/A	

2. Due Process

			Observations	Suggested advice to be given by YLCA FAH
2.1. Council correctly declared itself exempt from external audit?	Yes		Completed correctly.	
2.2. Standing Orders adopted to accord with NALC model July 2018	Yes		The model document has had the Parish Councils name included however the NALC logo at the top of the cover page – this needs to be removed. Sections 5 (e), 19 (b) and (d) need to be read and updated to be bespoke for the Parish Council.	
2.3. Standing Orders reviewed in the year?		No	Having checked through the annual council, May and June 2019 minutes there is no record that the standing orders had been reviewed.	YLCA to provide ~~the NALC model~~ Standing Orders To Do.
2.4. Financial Regulations adopted? and up to date		No	The council has adopted Financial Regulations however these are out of date. Also using the NALC Model document sections with [ ] need to be bespoke – sections 1.8 and 9.10 need to be checked. The NALC Model Financial Regulations from July 2019 needs to be reviewed and adopted as soon as possible.	YLCA provided all Parish Councils a revised Model Financial Regulations document in July 2019. To Do.
2.5. FRs properly tailored to council?		No	As above	To Do
2.6. Equal Opportunities policy adopted?	Yes		September 2013	
2.7. Adequate internal controls for payments? Including adequate arrangements for BACS payments, direct debits and standing orders?	Yes		The Clerk updated that Internal controls are completed as follows – Cllrs check the monthly bank rec against the bank statements, the receipts and payments listed in the cashbook against the invoices/cheque book. These are all initialled. The bank statements are initialled by 2 cllrs as are the cheque stubs.	YLCA to provide the Internal Audit Checklist.
2.8. List of member interests held?		No	Whilst there is a section on the councils website for councillors there is only the councillors names, no contact details or members interest forms listed.	To Do.
2.9. Summons signed, specified and displayed with 3 clear days notice?	Yes		There is no evidence on the council's website that a summons is signed and displayed with 3 clear days notice and there are no agendas on the council's website it simply states "This section will show the agenda for the meetings of the Parish Council 7 days prior to the meeting." The Clerk updated that only the current agenda is displayed and copies of previous agendas are not kept. Copies of these agendas are also attached to the parish notice boards. Three past meeting agendas	

			were provided and councillors were summoned to the meeting and the Clerk put her name to the agenda. Agendas and minutes need to be placed on the councils website in future.	To Do
2.10. Purchasing authority defined in FRs?	Yes		This section is included in the Financial Regulations but it needs to be updated. The Financial Regulations are updated as soon as possible. See 2.4 above	
2.11. Legal powers identified in minutes and/or cashbook?		No	N/A no grants provided	
2.12. Committee terms of reference exist and have been reviewed?	Yes	No	N/A no committees	

3. Risk Management

			Observations	~~Suggested advice to be given by YLCA~~ RAH
3.1. Does scan of minutes reveal any unusual activity?	Yes		The Pension Regulators Duties Checker is on the bottom of minutes from June and July 2019. Unsure why this is included. The minutes show a resolution and that there is no requirement for the Pension Regulators duties checker box to be included on the minutes each month.	
3.2. Annual risk assessment carried out?		No	There is a risk assessment dated 2012 – there is nothing in the minutes that an annual review had been carried out. A review of the Risk Assessment be carried out and provided for council as soon as possible to be updated if necessary and adopted	To Do.
3.3. Insurance cover appropriate and adequate?	Yes		Insured with Zurich and policy schedule covers the financial year.	
3.4. Evidence of annual insurance review?	Yes		The Annual Council minutes state that the insurance arrangements for 2019/20 were agreed but no confirmation of the premium or cover. The minutes show that there was a resolution to remain with the insurance provider and the cost of the premium for 2019/20 was whatever the figure was. Minutes need to have a clear resolution with correct figures included.	
3.5. Internal financial controls documented and evidenced?	Yes		The minutes refers to financial management but there is no evidence of what that is. The Clerk updated that Internal controls – Cllrs check the monthly bank rec against the bank statements, the receipts and payments listed in the cashbook against the invoices/cheque book. These are all initialled.	
3.6. Minutes initialled, each page identified and overall signed?	Yes		Minutes provided and checked – signed and dated by the chairman.	

3.7. Regular reporting and minuting of bank balance?		No	There is no mention of the bank balances in the minutes. Under the financial management on the minutes the payments should be shown along with the bank balance.	To Do.
3.8. Does the Council have any cash investments?	Yes		The Income & Expenditure spreadsheet provided shows £2,684.93 in an investment account	
3.9. If 'yes' at 3.8, has the Council considered the Government's investment guidance?	Yes	No	No evidence of the council considering the guidance.	

4. Budget

4.1.			**Observations**	**~~Suggested advice to be given by YLCA.~~** RAH
4.2. Annual budget to support precept?		No	Nothing provided to show the budget supports the precept request.	?!
4.3. Budget against spend comparisons provided regularly to the Council with bank reconciliation?		No	A bank reconciliation is provided but no budget information.	?!
4.4. Has budget been discussed and adopted by council?	Yes		Minutes from Jan 2019 agreed the budget 2019/20.	
4.5. Any reserves earmarked?		No	Only grass cutting appears to be ring fenced.	Done Now
4.6. Level of reserves within Proper Practice? Ie between 3 and 12 months running costs	Yes		There is sufficient in the current bank account to cover 3 months running costs.	
4.7. Any unexplained variances from budget?			No budget information provided	
4.8. Precept demand correctly minuted?			No evidence provided	

5. Payroll – Clerk and other employees

			Observations	**~~Suggested advice to be given by YLCA~~** RAH
5.1. Contract of employment for all members of staff	Yes		Contract of employment provided.	
5.2. Tax codes issued and applied correctly	Yes		Tax code BR is used.	
5.3. PAYE / NI/RTI evidence?, ie, P32 records	Yes		A spreadsheet was provided with the relevant details included.	
5.4. Has council approved salary paid?			No evidence provided.	
5.5. Salary accords with SCP agreed by Council			No evidence provided	
5.6. Other payments reasonable and approved by council?	Yes		Expenses claimed and within the minutes the payment was listed but no resolution in the minutes. All resolutions of the council should be included in the minutes.	YLCA to provide an example of an agenda and minutes to the Council. ?!
5.7. Wageslips and P60 evidence?	Yes		Payslip and P60 provided.	

5.8. Minimum wage/National Living Wage paid? (if clerk paid an annual salary, are hours worked resulting in minimum wage being paid)			N/A	
5.9. Pension obligations met?			N/A	
5.10. Grievance and Disciplinary procedures adopted?	Yes		There are both Grievance & Disciplinary Policies adopted however these are both dated Sept 2013.	YLCA to provided the council with the NALC Grievance & Disciplinary Policies

6. Asset Control

			Observations	~~Suggested advice to be given by YLCA~~ FAH
6.1. Does council keep a register of all material assets owned?	Yes			
6.2. Is asset register up to date and accords with Proper Practices?	Yes		The Asset Register on the councils website is 2018 – if there are no changes to the councils assets then this should be reviewed and adopted in 2019. The Asset Register is reviewed annually and adopted by the Council.	
6.3. Value of individual assets included?	Yes			
6.4. Inspected for risk and up to date inspection records exist		No	The Risk Management document is 2012 and there are no record of any inspections taken place.	To Do.
6.5. Record of deeds, articles and land register references available?	Yes	No	N/A	

7. Bank Reconciliations

			Observations	~~Suggested advice to be given by YLCA~~ FAH
7.1. Is there a bank reconciliation for each account?		No	The bank reconciliation figures include the two bank accounts, investment account and current account. A separate bank reconciliation for the two accounts be set up showing how much has been spent from each account over the year.	Done Now.
7.2. Reconciliation carried out on receipt of statement?	Yes			
7.3. Any unexplained balancing entries in any reconciliation?		No		No Is OK!

8. Year End Procedures

			Observations	~~Suggested advice to be given by YLCA~~ FAH
8.1. Bank statements – investment account and ledger	Yes		Investment account reconciles with the bank	

reconcile? 8.2. Bank statement – current account and ledger reconcile?	Yes		statement provided as at 31.12.19. Current account reconciles with the bank statement provided as at 31.3.20.	
8.3. Underlying financial trail from records to presented accounts?		No		?!
8.4. Where appropriate, debtors and creditors properly recorded?	Yes	No	N/A	
8.5. Has council agreed, signed and minuted sections 1 & 2 of the AGAR	Yes		Sections 1 & 2 of the AGAR 2018/19 were signed and agreed	

9. Miscellaneous				
			Observations	~~**Suggested advice to be given by YLCA**~~ [illegible]
9.1. Have points raised at the last audit been addressed?		No	Points raised were: Risk Assessment Policy be reviewed – no evidence that this has happened The annual return and minutes be put on the website – the AGAR is not on the website and minutes are not on since Sept 2019 A review of the reserves policy be conducted – no evidence Internal controls be documented and reviewed – no evidence An appraisal process with the Clerk be conducted – no evidence The internal auditors recommendations be considered and completed prior to the next internal audit.	?!
9.2. Has the council adopted a Code of Conduct since July 2012?	Yes		June 2012	
9.3. Is eligibility for General Power of Competence (GPC) properly evidenced?		No	The council has not adopted the GPC. It was discussed at a meeting in June 2012 The minute states that when this qualification was passed the Parish Clerk would discuss the procedure. Should the Clerk hold the full CiLCA qualification the council consider adopting GPC.	?!
9.4. Are all electronic files backed up?	Yes		Backups are taken and saved on the cloud via Microsoft outlook account.	
9.5. Do arrangements for public inspection of council's records exist?		No	No evidence provided. The Public Rights notice be placed on the Councils website with the AGAR.	Photo Attached!?!

9.6. Is the Council compliant with the Transparency Code for Smaller Authorities?		No	There are so many areas on the website that information is missing therefore the council is not compliant with the Transparency Code	To Do!!
9.7. Does the Council have a Privacy Policy (and on its website)		No		YLCA provide the GDPR toolkit with the relevant policy templates for the council to consider. To Do.
9.8. Does the Council have a website or use another data platform?	Yes			
9.9. Has the Council done a data audit?		No		To Do.
9.10. Has the Council adopted a record management policy?	Yes		Adopted on the 1 August 2018	
9.11. Complaints procedure in place	Yes		Adopted 11 May 2011	
9.12. Is the Council the sole trustee of a charity?		No		This is ok!
9.13. If 'yes' at 9.12, have the charity accounts been audited separately in the year?	Yes	No	N/A	
9.14. Has the Council any outstanding loans?		No		
9.15. If 'yes' at 9.14, has it budgeted for repayments in the year?	Yes	No	N/A	

Transaction Spot Check – 6 checks of each.

Check No.	1	2	3	4	5	6
Cheque stubs initialled	Yes	Yes	Yes	Yes	Yes	Yes
Cheque number in cash book	Yes	Yes	Yes	Yes	Yes	Yes
Payment approval minuted	No resolution	No resolution	No resolution	No resolution	No resolution	No resolution
Invoice value correct	Yes	Yes	Yes	Yes	Yes	Yes
Minute value correct	Yes	Yes	Yes	Yes	Yes	Yes
Cheque value correct	Yes	Yes	Yes	Yes	Yes	Yes
Timely payment	Yes	Yes	Yes	Yes	Yes	Yes
VAT recorded in cash book	Yes – only 1 VAT payment					
S137 recorded in cash book	N/A					
S137 minuted	N/A					
PAYE payments timely	Yes	Yes	Yes	Yes		
Notes	The PAYE payment for Apr – Jun was sent in Aug.					

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Annual Governance and Accountability Return

	Year ending 31 March 2019	Year ending 31 March 2020
1. Balances brought forward	£9,180	£9,680
2. Annual precept	£2,500	£2,500
3. Total other receipts	£960	£926
4. Staff costs	£1,665	£1,716
5. Loan interest/capital repayments	0	0
6. Total other payments	£1,295	£2,058
7. Balances carried forward	£9,680	£9,332
8. Total cash and investments	£9,680	£9,332
9. Total fixed assets and long term assets	£5,253	£5,253
10. Total borrowings	0	

Internal audit carried out by Karen Mann	(signed) Karen Mann	(print) KAREN MANN
Date 4 May 2020		

For auditor's use only	
Internal audit section of AGAR completed and signed	Yes
Report sent to council	Sent to YLCA 4 May 2020
Copy of internal auditor's report sent to YLCA with details of any advice/guidance needed to be given	Yes