

Louth Town Council - Internal Audit Checklist 2023/24

Name of Parish or Town Council		Louth Town Council	
Parish Council website		https://www.louthtowncouncil.gov.uk/	
Name of internal auditor		Steve Fletcher	
Date of audit		30 th May 2024	
Type of audit		Intermediate and Year-end (including AGAR)	
Council contact information		Name	Email
Clerk		Lynda Phillips	clerk@louthtowncouncil.gov.uk
RFO (if different)		n/a	
Chairman		Cllr J Simmons	jsimmons@louthtowncouncil.gov.uk
Electorate (05.01.2024)	13,402	Total number of seats	21
Quorum	7	Number of councillor vacancies	5
Precept Demand 2021/22	£ 300,082	Gross budgeted Income	n/a
Date of most recent audit	15.06.2023	Date of next audit	May / June 2025
		Y/N	Comments
Has the internal auditor seen previous audit reports including the most recent?		Y	Undertaken by same auditor
Is there evidence that previous internal and external audit reports have been acted upon?		Y	n/a

	Key governance review	Y/N	Comments & recommendations	Risk		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y	Reviewed and updated during 2023/24	✓		
2	Financial regulations (tailored and reviewed)	Y	Reviewed and updated during 2023/24 Note: NALC issued updated Model Financial Regulations in April 2024	✓		
3	Terms of reference (ToR) (committees / working groups)	Y	Reviewed and updated during 2023/24	✓		
4	Code of Conduct (elected members)	Y	Reviewed and updated during 2023/24	✓		
5	Complaints procedure (tailored and reviewed)	Y	Reviewed and updated during 2023/24	✓		
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 Councillors' ages reviewed and recorded Other e.g. vehicles, assets, equipment, volunteers ... 	Y Y Y Y Y Y Y	Renewed: April 2024 Evidenced – Files / PC	✓		

	Transparency	Y/N	Comments & recommendations	Risk		
				Low	Med	High
7	Internal controls (statement or review)	Y	Policy – annual review / updates	✓		
8	Investment strategy	N	Ongoing process due to internal matters.	✓		
9	Publication scheme (reviewed)	Y	Reviewed and updated during 2023/24	✓		
10	Risk assessment (statement or review)	Y	Risk Register - Reviewed and updated during 2023/24	✓		
11	Pay policy (staffing - reviewed)	N	No policy - Staff T&C's based on NJC / NALC / Green book	✓		
12	Spending authorised	Y	Evidenced – website / minutes	✓		
13	Procurement correctly administered	Y	Grass Tender 2023/24	✓		
14	Land and assets (reviewed)	Y	Part of insurance review process	✓		
15	Adequate GDPR policy / procedures in place	Y	Evidenced – website	✓		
16	Arrangement for inspection of public records adequate	Y	Certificate displayed on website	✓		
Transparency codes mandatory for councils with turnover under £25k and over £200k – Best Practice for all councils						
17	All items of expenditure above £100 published by 1 July	Y	Evidenced – website / minutes	✓		
18	End of year accounts published by 1 July	Y	Evidenced - website	✓		
19	Annual Governance statement published by 1 July	Y	Evidenced - website	✓		
20	Internal audit report published by 1 July	Y	Evidenced - website	✓		
21	Councillor responsibilities published by 1 July	Y	Evidenced - website	✓		
22	Asset register published by 1 July	Y	Evidenced - website	✓		
23	Agendas and meeting papers published within three clear days	Y	Evidenced - website	✓		

24	Draft minutes published within one month of the meeting	Y	Evidenced - website	✓		
Accounting		Y/N	Comments & recommendations	Risk		
25	Cashbook maintained and up to date	Y	Evidenced – Files / PC	✓	Low	High
26	Arithmetically correct (checks / balance)	Y	Evidenced – Files / PC	✓		
27	Evidence of internal control (reconciliation checked)	Y	Evidenced – Files / PC	✓		
28	VAT • evidence of recording • evidence of reclaiming	Y	Evidenced – Files / PC	✓		
29	All payments supported by authorised, minuted invoices	Y	Evidenced – Files / PC	✓		
30	s.137 • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation	Y	Evidenced – Files / PC	✓		
31	Payments made in accordance with financial regs • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards	Y Y Y Y Y n/a	Evidenced – Files / PC	✓		

Budget	Y/N	Comments & recommendations	Risk		
			Low	Med	High
32 Annual budget in support of precept	Y	Evidenced – website / minutes	✓		
33 Precept demand properly minuted	Y	Evidenced – website / minutes	✓		
34 Earmarked reserves reviewed	Y	Reviewed Quarterly FOG / TC	✓		
35 Budget is monitored regularly with variances reported to council in line with Financial regulations	Y	Evidenced – website / files / PC	✓		

Income control	Y/N	Comments & recommendations	Risk		
			Low	Med	High
36 Income properly recorded and banked promptly	Y	Evidenced – website / files / PC	✓		
37 Precept income received in bank account	Y	Evidenced – website / files / bank statements	✓		
38 Effective security of cash and cash transactions	Y	Petty Cash / minimal physical 'cash' income	✓		
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 – Minutes TC & FOG	✓		
41 Balancing entries (adjustments) explained	Y	1 x adjustment <£1 due to bank error. Explained to Council	✓		
42 Bank mandate up to date • Evidence of signatories		Approved at annual meeting 2023/24	✓		

	Petty cash	Y/N	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised	Y	Evidenced – files / minutes	✓		
44	Petty cash spending supported by VAT receipt(s)	Y	Evidenced – files / minutes	✓		
45	Petty cash reported to Council	Y	Evidenced – files / minutes	✓		
46	Petty cash float reconciled/reimbursed	Y	Evidenced – files / minutes	✓		

	Year-end process	Y/N	Comments & recommendations	Risk		
				Low	Med	High
47	Accounting according to <ul style="list-style-type: none"> Income and expenditure Receipts and payments 	Y	Reviewed by FOG / TC	✓		
48	Bank statements reconcile to ledger	Y	Evidenced files	✓		
49	Robust audit trail evident	Y	Evidenced files	✓		
50	Debtors and creditors recorded	Y	Evidenced files	✓		

	Asset control	Y/N	Comments & recommendations	Risk		
				Low	Med	High
51	Register of assets <ul style="list-style-type: none"> Reviewed Up to date 	Y	Evidenced – minutes	✓		
52	Assets inspected and Health & Safety issues considered <ul style="list-style-type: none"> Play equipment Street furniture Fire safety Defibrillators Other – Buildings 	Y n/a Y Y n/a Y	Evidenced – website and supporting documentation.	✓		

	Risk management	Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Evidence of unusual activity from minutes	N	Evidenced – website / files	✓		
54	Annual risk assessment undertaken as a minimum	Y	Evidenced – website / files	✓		
55	Financial controls and procedures documented	Y	Evidenced – website / files	✓		
56	Regular financial reporting to Council in line with financial regulations	Y	Evidenced – website / files	✓		
57	Reporting of bank balances minuted	Y	Evidenced – website / files	✓		
58	Grants ratified and minuted according to policy	Y	Evidenced – website / files	✓		

	General	Y/N	Comments & recommendations	Risk		
				Low	Med	High
59	Back up of files adequate	Y	Back-up server / cloud and hard drive	✓		
60	Storage of files (paper and electronic) adequate	Y	Evidenced – website / files Effective storage of [original] burial records now in fireproof cabinet.	✓		
61	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N	Ongoing consideration	✓		

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	Employee posts properly recorded <ul style="list-style-type: none"> • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff • Other 	Y	NALC / NJC Contracts of employment	✓		
63	List of Members' interests <ul style="list-style-type: none"> • displayed on website • reviewed regularly 	Y	Evidenced website	✓		
64	Declarations of acceptance of office <ul style="list-style-type: none"> • New councillor • Chairman 	Y	Evidenced – website (agenda) / files	✓		
65	Co-options according to policy	Y	Evidenced – website	✓		
66	Agenda documents correct	Y	Evidenced – website / files	✓		
67	Minutes correct / signed	Y	Evidenced – files	✓		
68	Purchase order system used/correct	n/a		-	-	-
69	Purchasing authorised in line with Financial regs / limits	Y	Evidenced website / Fin Regs /minutes	✓		
70	Council operating within legal powers	Y	Evidenced agendas / minutes	✓		
71	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	Standing Orders Contract(s) of employment	✓		

	Y/N	Comments & recommendations	Risk		
			Low	Med	High
72	Y	Contracts of employment for all staff	✓		
73	Y	Written statement of particulars for all staff from day one (April 2020 onwards)	✓		
74	Y	Proper procedures for payroll, PAYE & NI	✓		
75	Y	PAYE & NI payments verified	✓		
76	Y	Approval of salaries and increments	✓		
77	Y	Approval of expense claims	✓		
78	Y	Minimum wage threshold met	✓		
79	Y	HR procedures and policies adopted / reviewed	✓		
80	Y	Training policy and record staff /elected Members	✓		
81	N	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	✓		
82	Y	Annual appraisal(s) undertaken	✓		
83	Y	Job description(s) up to date / reviewed	✓		
84	Y	Health and safety of staff workstation & PC equipment undertaken <ul style="list-style-type: none"> • Display Screen Equipment 	✓		

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	02.05.2023	20.07.2023	20.11.2023	18.01.2024	19.03.2024	26.03.2024
Company	Alford Awards	E-on	Anglian Water	HMRC	J Darke Ltd	E-on
Reference / Cheque number	9686	DD	DD	FPO	FPO	DD
Purpose	Arms of the Town	Electricity	Water/Sewerage	PAYE / NI	Misc	Electricity
Delivery evidence	Cheque	DD	DD	FPO	FPO	DD
Payment minuted/reconciled	Y	Y	Y	Y	Y	Y
Invoice value (£)	95.92	147.15	8.00	2,168.76	237.57	665.85
Minute value agrees	✓	✓	✓	✓	✓	✓
Payment value agrees	✓	✓	✓	✓	✓	✓
Statement value agrees	✓	✓	✓	✓	✓	✓
Timely payment	Y	Y	Y	Y	Y	Y
VAT recorded (£)	Y 15.99	Y 7.01 (5%)	n/a	n/a	Y 39.60	Y 31.71 (5%)
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						

Appendix: additional areas for audit

	Allotments (ext managed)	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance	Y		✓		
A2	Fees charged in accordance with approved rates	Y		✓		
A3	Up to date occupancy details kept and securely retained	n/a	Externally managed	-	-	-
A4	Agreements/licences issued to all plot holders	n/a		-	-	-

	Burials	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance	Y		✓		
B2	Fees charged in accordance with approved rates	Y		✓		
B3	All interred ashes have certificates of cremation	Y		✓		
B4	Permits properly documented and stored	Y	Fireproof container purchased– (note: cemetery records also held electronically)	✓		
B5	Cemetery regulations adopted and up to date	Y		✓		
B6	Registers of burials and purchased graves completed correctly and stored safely	Y		✓		
B7	Burial certificates issued correctly	Y		✓		
B8	Green slips returned appropriately to Registrar	Y		✓		
B9	Legible cemetery burial plan up to date • backed up if appropriate	Y		✓		
B10	Business rates exemptions correctly applied	n/a		✓		

	Charities	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately	n/a		-	-	-
C2	Independently audited	n/a		-	-	-
C3	Returns filed within legal time limits	n/a		-	-	-

	Community buildings	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
Cb1		n/a		-	-	-
Cb2		n/a		-	-	-
Cb3		n/a		-	-	-

	Markets	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
M1	Income for stall hire balances	n/a		-	-	-
M2	Fees charged in accordance with approved rates	n/a		-	-	-
M3	Up to date occupancy details kept and securely retained	n/a		-	-	-
M4	Statutory records kept / stored safely	n/a		-	-	-
M5	Agreements/licences issued to all stall holders	n/a		-	-	-
M6	Other	n/a		-	-	-

	Other	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
O1		n/a		-	-	-