

Louth Town Council - Internal Audit Checklist 2022/23

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		15 th June 2023	
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 (06.01.2023)	13212	Total number of seats	21
Quorum	7	Number of councillor vacancies	6 (5 x co-option 1 x election)
Precept Demand 2021/22	£ 300,082	Gross budgeted Income	n/a
Date of most recent audit	30.05.2022	Date of next audit	May / June 2024
	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 February 2023 https://www.louthtowncouncil.gov.uk/wp-content/uploads/Louth-Town-Council-Standing-Orders-For-review-and-adoption-21st-February-2023.pdf	✓		
2	Financial regulations (tailored and reviewed)	Y	Reviewed and updated February 2023 https://www.louthtowncouncil.gov.uk/wp-content/uploads/Louth-Town-Council-Financial-Regulations-reviewed-February-2023.pdf	✓		
3	Terms of reference (ToR) (committees / working groups)	Y	Reviewed and updated 2022/23 https://www.louthtowncouncil.gov.uk/wp-content/uploads/Standing-Orders.pdf	✓		
4	Code of Conduct (elected members)	Y	Reviewed and updated February 2023 https://www.louthtowncouncil.gov.uk/wp-content/uploads/Louth-Town-Council-Code-of-Conduct-for-adoption-21st-Feb-23.pdf	✓		
5	Complaints procedure (tailored and reviewed)	Y	Reviewed and updated May 2022 https://www.louthtowncouncil.gov.uk/louth/complaints-procedure/	✓		
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	Renewal date: April 2024 https://www.louthtowncouncil.gov.uk/wp-content/uploads/InsuranceCertificate.pdf 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	Council may consider Investment Strategy for dealing with future budgets / reserves.	✓		
9	Publication scheme (reviewed)	Y	https://www.louthtowncouncil.gov.uk/wp-content/uploads/Louth-Town-Council_Publication_Scheme_Guide-to-Information.pdf	✓		
10	Risk assessment (statement or review)	Y	Risk Register - Evidenced	✓		
11	Pay policy (staffing - reviewed)	N	No policy - Staff T&C's based on NALC / Green book	✓		
12	Spending authorised	Y	Evidenced – website / minutes	✓		
13	Procurement correctly administered	Y	Grass Tender 2022/23	✓		
14	Land and assets (reviewed)	Y	Part of insurance review process	✓		
15	Adequate GDPR policy / procedures in place	Y	https://www.louthtowncouncil.gov.uk/louth/data-protection-policy/	✓		
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	✓		
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Accounting		Y/N	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y	Evidenced – Files / PC	✓		
26	Arithmetically correct (checks / balance)	Y	Evidenced – Files / PC	✓		
27	Evidence of internal control (reconciliation checked)	Y	Evidenced – Files / PC	✓		
28	VAT <ul style="list-style-type: none"> 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 <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 – Files / PC	✓		
31	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 n/a 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	n/a		-	-	-
42	Bank mandate up to date • Evidence of signatories		Approved at annual meeting 2022/23	✓		

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 www.louthtowncouncil.gov.uk/louth/minutes-of-the-governance-and-finance-committee-meeting-22nd-march-2023/	✓		
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 https://www.louthtowncouncil.gov.uk/council-documents/	✓		

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	P	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	Clerk booked onto NALC presentation to gain further information for Council	✓		

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 https://www.louthtowncouncil.gov.uk/wp-content/uploads/LTC-Co-option-Policy-last-reviewed-25th-April-2023-next-review-by-June-2024.pdf	✓		
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	Contracts of employment for all staff	Y	Evidenced – files	✓		
73	Written statement of particulars for all staff from day one (April 2020 onwards)	Y	Evidenced – files	✓		
74	Proper procedures for payroll, PAYE & NI	Y	Evidenced – files / financial records	✓		
75	PAYE & NI payments verified	Y	Evidenced – files / financial records	✓		
76	Approval of salaries and increments	Y	Evidenced – files / financial records	✓		
77	Approval of expense claims	Y	Evidenced – files / financial records	✓		
78	Minimum wage threshold met	Y	Evidenced – files / financial records	✓		
79	HR procedures and policies adopted / reviewed	Y	Evidenced – files / financial records	✓		
80	Training policy and record staff /elected Members	Y	Evidenced – files / financial records	✓		
81	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	N		✓		
82	Annual appraisal(s) undertaken	Y	Undertaken during 2022/23	✓		
83	Job description(s) up to date / reviewed	Y	Undertaken during 2022/23	✓		
84	Health and safety of staff workstation & PC equipment undertaken <ul style="list-style-type: none"> • Display Screen Equipment 	Y	Undertaken during 2022	✓		

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	10.05.2022	26.07.2022	14.09.2022	23.11.2023	13.01.2023	20.03.2023
Company	Rialtas	Chubb	GBM	Tudor	Corona Energy	KRL
Reference / Cheque number	9397	9469	9495	9573	DD	9359
Purpose	Annual Licence	Int Alarm	Waste	Grounds maintenance	Energy Supply	Support
Delivery evidence	Cheque	Cheque	Cheque	Cheque	DD	Cheque
Payment minuted/reconciled	Y	Y	Y	Y	Y	Y
Invoice value	324.00	981.94*	185.00	1,756.78	156.52	17.99
Minute value	324.00	981.94*	185.00	1,756.78	156.52	17.99
Payment value	324.00	981.94*	185.00	1,756.78	156.52	17.99
Statement value	324.00	981.94*	185.00	1,756.78	156.52	17.99
Timely payment	Y	Y	Y	Y	Y	Y
VAT recorded	Y 54.00	Y 163.66	Y 30.83	n/a 292.80	n/a 7.45 (5%)	Y 3.00
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		*part of multi-invoice payment				

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	Part	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 <ul style="list-style-type: none"> 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		-	-	-