



Internal Audit Checklist '2021/22'

Name of Authority: Northstowe Town Council

Date of Audit: April 2022

Audit Completed by: Diane Bayliss

Legislation

Process	Expected Control	Notes/Action to be Taken
Standing Orders	<ul style="list-style-type: none"> Model NALC April 2018 (updated August 2020) 	Up to date
Financial Regulations	<ul style="list-style-type: none"> Model NALC 2019 	Up to date
Code of Conduct	<ul style="list-style-type: none"> Adopted from District Council? 	Up to date
Health & Safety Policy	<ul style="list-style-type: none"> Required by Health & Safety at Work Act 1974 Includes management arrangements 	Yes
Disciplinary Policy with Procedures	<ul style="list-style-type: none"> Complies with ACAS Code of Practice 2018 	Information in scheme of delegation Personnel committee/Staffing committee
Grievance Procedure	<ul style="list-style-type: none"> Complies with ACAS Code of Practice 2018 	Structure in place for grievance committee if required.
Data Protection Policy	<ul style="list-style-type: none"> Incorporates GDPR Regulations 2018 	Yes
Publication Scheme	<ul style="list-style-type: none"> Is there a Publication Scheme? Is it based on the template supplied by the ICO? 	Yes Yes
ICO	<ul style="list-style-type: none"> Is the LA registered with the ICO? 	Yes
Insurance	<ul style="list-style-type: none"> Is there a current Insurance Policy in place? Who is it with? 	Yes May 2021-May 2022 Hiscox

	<ul style="list-style-type: none"> • Public Liability limit • Fidelity Guarantee limit • Employer's Liability limit • Sufficient cover for assets • Buildings? When were they last valued? • Any other requirements 	£10 million
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Councillors and Ethical Framework

Process	Expected Control	Notes
CLLr Declarations of Office	<ul style="list-style-type: none"> • One for each Councillor – each election 	Website up to date
Chairman & Vice Chairman Declaration of Office	<ul style="list-style-type: none"> • Every May 	Yes
Register of Interests Current	<ul style="list-style-type: none"> • Check that these are on District Council website • Check link on website or original document • Are they checked or monitored? • Is there evidence that old Council and CLLr information is destroyed? 	Yes Yes
Evidence of Declarations of Interests at Meetings	<ul style="list-style-type: none"> • Do CLLrs declare interests during meetings? • Do CLLrs leave a meeting if they declare prejudicial interests? 	Yes
Dispensation Grant Policy	<ul style="list-style-type: none"> • Does the LA have a Dispensation Grant Policy 	No (information in standing orders)
General Power of Competence (GPC)	<ul style="list-style-type: none"> • Is the Authority using the GPC? • Do qualifications still apply? 	Yes, until May 2022 No, (Clerk training currently) until clerk is qualified.

Agendas and Minutes

Process	Expected Control	Notes
<i>Agendas</i>		

Is there evidence that correct procedures are in place?	<ul style="list-style-type: none"> • Correct numbering used • 3 days clear notice • Signed by proper officer • Location, time, summons, etc. 	Yes Yes Yes Yes
Annual Meeting of Council	<ul style="list-style-type: none"> • Held in May? • 1st item 'Election of Chairman'? • General Power of Competence declared? 	Yes Yes Yes
Annual Parish/Town Meeting	<ul style="list-style-type: none"> • Was the meeting held between 1st March and 1st June? • Agenda published 7 days in advance • Agenda signed by Chairman? 	Meeting held on 16 th April 2022 Yes Yes
Matters Arising?	<ul style="list-style-type: none"> • If used, is it used correctly? 	Yes
Minutes		
Minute book	<ul style="list-style-type: none"> • Is there an official minute book/folder? • Are minutes signed and initialled? • Are resolutions clear? • Do minute items match agendas? • Do decisions comply with Standing Orders • Do cllrs declare interests? • Verbatim minutes? • Is there evidence of public participation? • Evidence that planning applications are considered at a public meeting • Evidence of decisions being made under S137? 	Yes Yes Yes Yes Yes Yes No Yes Yes N/A

Policies and Procedures

Process	Expected Control	Notes
Monitoring and Updating	<ul style="list-style-type: none"> • Is there evidence in minutes that these are regularly monitored and updated? 	All policies new at May 2021
Risk Management Policy	<ul style="list-style-type: none"> • Is this monitored at least annually at the Annual meeting of the Council? 	It will be updated for the May 2022 meeting
Asset Register	<ul style="list-style-type: none"> • Is this up to date? • Does it hold the Audit and Insurance figures? • Is it published on the website? 	Yes Yes Yes

	<ul style="list-style-type: none"> Does it match the Insurance Policy figures? 	Not yet. Figures submitted to the insurance company for a new quotation May 2022
Data Protection & GDPR	<ul style="list-style-type: none"> Does the LA hold a Subject Access Register? Does it hold a log of Data Breaches? Is there a Privacy Policy/Statement? Is there evidence ROPA (Record of Processing Activities)? 	<p>No</p> <p>None recorded</p> <p>Yes</p> <p>No</p>
Management of Information	<ul style="list-style-type: none"> Does the LA hold a document confirming how it handles all documentation including archiving and destruction of old documents? How does the LA destroy old documents? Secure means? 	<p>Retention of Documents Policy needed</p> <p>Currently shredding old documents</p>
Other Policies held		<p>Complaints Procedure</p> <p>Data Protection</p> <p>Equality and Diversity</p> <p>H & S</p> <p>Press & Media</p> <p>Public Participation (meetings)</p> <p>Scheme of delegation</p> <p>Social Media</p> <p>Staff Recruitment</p> <p>Protocol to mark death of head of state</p> <p>Grant Awarding Policy</p>

Risk Management

Process	Expected Control	Notes
Unusual Financial Activity	<ul style="list-style-type: none"> Check a sample of minutes for unusual financial activities. 	None found
GDPR	<ul style="list-style-type: none"> See separate checklist 	
Risk Assessments	<ul style="list-style-type: none"> Do checks align with Risk Management Policy Is there evidence of robust monitoring process? Is there a system for action on reports? What is it? What system picks up failure in the assessment process? 	<p>Risk management plan available to view on the website.</p> <p>Town Clerk is responsible for monitoring risks and taking appropriate action.</p>
Annual Assessment of Current Procedures	<ul style="list-style-type: none"> Is there a process of annual assessment? How does it check the effectiveness of the procedures? 	Not relevant this year.
Assets	<ul style="list-style-type: none"> Is the Asset Register up to date? 	Yes

General Data Protection Regulations (GDPR)

Process	Expected Control	Notes
Training	<ul style="list-style-type: none"> Has the Clerk received training? Have any Cllrs received training? 	Yes – new clerks and currently undertaking CiLCA Yes
Data Protection Officer	<ul style="list-style-type: none"> Has a Data Protection Officer been appointed? Are they aware that CAPALC offer this as a service? 	Signed up with CAPALC
Email Addresses	<ul style="list-style-type: none"> Does the Clerk have a Council specific email address? Do Cllrs have Council specific email addresses? .gov.uk? Are contact details advertised on the council website? Are there privacy notices at the footer of emails? 	Yes Yes Yes Yes Yes for the Clerk/RFO; not currently on councillor emails
Personal Data	<ul style="list-style-type: none"> How is personal data stored? Is there a procedure for monitoring personal data stored? 	Not covered
Insurance	<ul style="list-style-type: none"> Is there insurance cover in cases of Data Breach? Cyber security insurance? 	No

Employment

Process	Expected Control	Notes
Clerk	<ul style="list-style-type: none"> Is there a Contract in place? When was this last reviewed? When was the Job Description last reviewed? When was the salary last reviewed? When was the last Performance Review/Appraisal held? Is there a Pension scheme? Are they registered with the Pensions Regulator? 	Yes New this year New To be reviewed after CiLCA Not yet held In progress In progress
Payroll	<ul style="list-style-type: none"> Are payments being made to HMRC? Who calculates the payroll? Clerk or Payroll Company 	Yes Clerk/RFO
Other Staff	<ul style="list-style-type: none"> Are there other staff? 	No

	<ul style="list-style-type: none"> • If so, consider the above as per the Clerk. 	
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Burial Authority Yes/No

Process	Expected Control	Notes
Burial Records	<ul style="list-style-type: none"> • Does the burial authority have appropriate burial records? • Are the records paper or electronic format? 	N/A
Processes	<ul style="list-style-type: none"> • Is there provision for public liability insurance in their policy? • Has the Clerk undertaken any training? • Is there a Risk Management Policy? • Is there an up-to-date plan of the site? • Is there provision in the budget for maintenance? 	N/A
Closed Churchyard	<ul style="list-style-type: none"> • Is the LA responsible for a Closed Churchyard? Yes/No • Do they hold public liability insurance? • Is there a Risk Management Policy? • Is there provision in the budget for maintenance? 	N/A

Playground Management

Process	Expected Control	Notes
Playground/LEAPs	<ul style="list-style-type: none"> • Does the LA own a playground or LEAP? • Is it professionally inspected on an annual basis? • Is there evidence of other regular inspections? • Who carries out the inspections? • Does the LA have adequate public liability insurance? • Is there a Risk Management Policy? • Is the equipment listed on the Asset Register? • Does the insurance cover the items in the playground/LEAP? • Is there a written procedure for reported faults? • Is there provision in the budget for maintenance? 	No

Allotments

Process	Expected Control	Notes
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Allotments	<ul style="list-style-type: none"> • Does the LA own any allotments? • Is there an adequate record of tenants? • Does the LA have sufficient public liability insurance? • How is rent collected? Does it meet with their Financial Regulations? • Is there provision in the budget for maintenance? 	No
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Defibrillators

Process	Expected Control	Notes
Defibrillators	<ul style="list-style-type: none"> • Does the LA own any defibrillators? • Is it sited on parish/town council owned land? • Is there evidence that it has been registered with the ambulance service? • How is access gained and monitored? • What evidence is there of regular equipment tests? • Is there sufficient cover under the insurance policy? • Can the equipment be used on children? 	No

Finance

Process	Expected Control	Notes
Precept	<ul style="list-style-type: none"> • What is the Precept? • Was the Precept justified with a budget? • Has it been approved by full council? 	£66,472.80 Budget set by SCDC/CCC as the temporary council until the new council was established
Budget	<ul style="list-style-type: none"> • Has a formal budget been prepared? • Was it approved by full council? • Does it have separate S137 allocation and is it within limits? • Does the budget reflect the assets held? • Is there evidence of budgetary control? • Evidence of quotations received? 	Budget prepared for 2022-23 and approved by full council on 15 th December 2021 Yes Yes Yes Yes
Reserves	<ul style="list-style-type: none"> • What is the level of General Reserves? • What is the level of Earmarked Reserves? • Is there evidence in minutes that EMR are live projects? 	General reserve 31 st March 2022 £51,711.03 EMR Reserve £21,766.50 Yes

Bank	<ul style="list-style-type: none"> • Is each bank account regularly reconciled? • How are signatories set up? 	Yes. Reconciliations approved in the minutes of each meeting. 2 signatories for each transaction to be authorised
Cashbook	<ul style="list-style-type: none"> • Does the LA use Excel, manual book, or software? • Is it up to date with hard copies? <p>Expenditure</p> <ul style="list-style-type: none"> ○ Are all payments supported by invoices/receipts? ○ Have all payments been authorised? ○ Are payments minuted? <p>Income</p> <ul style="list-style-type: none"> ○ Is all income properly recorded and analysed? ○ Has it been banked promptly? ○ Have fees been charged at the correct rate? ○ Have receipts been sent? <p><i>See 'AGAR' section below for further Accounting Records requirements</i></p>	Scribe Yes Yes Yes Yes Yes (By BACS)
S137	<ul style="list-style-type: none"> • Is it recorded separately in the cashbook? • Is the annual expenditure within limits? 	N/A
Petty Cash	<ul style="list-style-type: none"> • Does the LA run any petty cash? <p><i>See 'AGAR' section below for further Petty Cash requirements.</i></p>	No
Purchases	<ul style="list-style-type: none"> • Is there evidence that all procedures are still being undertaken correctly and according to Financial Regulations? • Any issues noted? 	No issues noted
VAT	<ul style="list-style-type: none"> • Is the LA registered to charge VAT? • If yes, are they charging it? • Are VAT claim forms being completed regularly? 	No No reclaim made so far this year

Engaging Contractors

Process	Expected Control	Notes
Best Value	<ul style="list-style-type: none"> • Is there evidence that the LA has sought best value? • Is it Cllrs being paid to undertake work for the Council? 	Yes No
Contractor	<ul style="list-style-type: none"> • Does the contractor have their own public liability insurance? 	N/A

	<ul style="list-style-type: none"> • Do they have the relevant qualifications to carry out the job(s)? • Has evidence of qualifications/training been gathered? • Is there evidence of H&S checks to equipment used? • Is there evidence that the contractor observes H&S Regulations? 	
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AGAR

In order to be able to sign off the AGAR the following processes need to be checked and notes made where appropriate:

Process	Expected Control	Notes
<p>Appropriate Accounting Records have been kept throughout the year and periodic bank reconciliations were properly carried out during the year <i>(Para 5.10 to 5.27)</i></p>	<ul style="list-style-type: none"> • Correct roll forward for last year's cashbook balance to new financial year • Check sample transactions in cashbook against bank statement (sample size dependent on Council size) • Ensure bank reconciliations are prepared and checked routinely, subject to independent scrutiny and sign off by Cllrs • Verify accuracy of YE bank reconciliation detail and ensure accurate disclosure of combined cash and bank balances on AGAR section 2, box 8 • Where authority has bank balances in excess of £100,000 – does it have an appropriate Investment Strategy 	Yes
<p>The Authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for <i>(Para 5.34 to 5.41)</i></p>	<ul style="list-style-type: none"> • Review procedures for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version • Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents) • Review procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval of payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation. • Check there is effective segregation between the writing of cheques/setting up of online payments and physical release of payments • Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements 	Yes

	<ul style="list-style-type: none"> Where debit/credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the card are in place 	
<p>The Authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these (Para 5.89 to 5.102)</p>	<ul style="list-style-type: none"> Ensure the authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc Ensure that the appropriate levels of insurance cover are in place for land, buildings, public, employer's and hirers' liability, fidelity/employee's (including Cllrs) liability, business interruption and cyber security Ensure that appropriate arrangements are in place for monitoring play areas, open spaces, and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors, or if by officers or members, that they have received appropriate training and accreditation 	Yes
<p>The Precept resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate (Para 5.7 to 5.9)</p>	<ul style="list-style-type: none"> The Full Authority (not committee) considered, approved, and adopted the precept in accordance with the timetable given Budget reports are produced and submitted to the Authority periodically throughout the year with appropriate comment on significant variances Review of budget performance either during the year or at the financial YE seeking explanations for any significant or unanticipated variances Ensure the Authority has considered the establishment of Earmarked Reserves (EMR) and reviews them annually as part of the budget assessment process Ensure the precept in the accounts matches the submission form to the relevant authority and the public record of precepted amounts 	Yes
<p>Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT appropriately accounted for (Para 5.44 to 5.47)</p>	<ul style="list-style-type: none"> Review 'Aged Debtor' listings to ensure appropriate follow up action is in place Allotments: ensure that appropriate signed Tenancy Agreements exist, that a register of Tenants is maintained, and debtors are monitored Burials: ensure a formal burial register is maintained, it is up to date and take a sample of interments and memorials are evidenced, that fees have been charged at the correct approved rate and recovered within a reasonable timeframe (check burial/cremation certificates received) Hall Hire: ensure an effective diary system for bookings is in place identifying the hirer, hire times and cross referenced to invoices raised 	Yes

	<ul style="list-style-type: none"> • Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time • Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income • Where amounts are receivable on set dates through the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received and banked 	
<p>Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for <i>(Para 5.42 to 5.43)</i></p>	<ul style="list-style-type: none"> • Authorities are working towards using debit/credit cards instead of petty cash for ad hoc purposes. 'Not Covered' is an appropriate response if this is the case. • Alternatively review the systems in place for controlling petty cash and also cash floats (used for bar, catering, etc.) • Check a sample of transactions during the financial year to ensure appropriate supporting documentation is available • Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held • Ensure VAT is identified whenever incurred and appropriate • Physically check the petty cash and other cash floats held • Where bar or catering facilities are in place, ensure that appropriate cashing up procedures are in place reconciling the physical cash takings to the till 'Z' total readings 	N/A
<p>Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied <i>(Para 5.48 to 5.54)</i></p>	<ul style="list-style-type: none"> • Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract • Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability • Ensure that a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate if off scale, and also within the contracted hours • Ensure appropriate tax codes are being applied to each employee • Where free or paid for software is used, ensure it is up to date • Sample employees and ensure tax is calculated appropriately • Check the correct treatment for pension contributions 	Yes

	<ul style="list-style-type: none"> • Check the correct deduction for NI (ee and er) are applied. • Ensure the employer’s pension contribution is being applied • Ensure correct net pay is paid to the employee with tax, NI and pension contributions paid to the respective agencies 	
<p>Asset and investment registers were complete and accurate and properly maintained. <i>(Para 5.28 to 5.30)</i> This section / assurance should be extended to include loans to or by the authority <i>(Para 5.57 to 5.63)</i></p>	<ul style="list-style-type: none"> • Ensure the authority is maintaining a formal asset register and updating it routinely, recording new assets at historic cost price, net of VAT and removing any disposed of/no longer serviceable assets • Physically verifying the existence and condition of high value, high risk assets may be appropriate • The register should identify the purchase price, the replacement/insured cost (updated annually and used to assist in forward planning for asset replacement) • Additions and disposal records should allow tracking from the prior year to the current • Ensure the asset value to be reported in the AGAR at Section 2, Box 9 equates to the prior year reported value and adjusted for nominal value of new acquisitions and/or disposals • Compare the Asset Register with the insurance schedule to ensure that all assets are recorded are appropriately insured or ‘self-insured’ by the Authority. • Fixed Asset Investments: all long-term investments (more than 12 months) are covered by the ‘Investment Strategy’ and reported as Assets in the AGAR at Section 2, Box 9 • Borrowing and lending: ensure the authority has sought and obtained appropriate DMO approval for loans acquired • Ensure the Authority has accounted for the loan appropriately i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an administration expense. • Ensure the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at Section 2, Box 5 • Ensure the outstanding loan liability as at 31st March each year is recorded correctly at Section 2, Box 10 (Check value on DMO website) 	Yes

	<ul style="list-style-type: none"> • If an Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt 	
<p>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded (Para 5.122 to 5.160)</p>	<ul style="list-style-type: none"> • Internal Auditors are not required to verify the accuracy of detail disclosed within the AGAR, however the expectation from most Authorities effectively requires IAs to ensure the financial detail recorded at Section 2 of the AGAR reflects the details in the accounting records maintained for the financial year. Therefore: • Where turnover exceeds £200k appropriate records need to be kept on Income and Expenditure basis to facilitate budget reporting in that vein • Ensure that accounting arrangements are in place to account for debtors and creditors during the year and at financial Year End 	Yes
<p>If the Authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt</p>	<ul style="list-style-type: none"> • Ensure that all relevant criteria are met (receipts and payments each totalled less than £25,000) • The correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline • That it has been published, together with all required information on the Authority's website and noticeboard 	N/A
<p>The Authority publishes information on a website/web page, and complies with the relevant Transparency Code</p>	<ul style="list-style-type: none"> • Only required by the Authority covered by the £25,000 Ext Audit Exemption • Review the website ensuring all documentation is published in accordance with the Transparency Code 	Yes

<p>The Authority has, during the previous year, correctly provided for the period for the exercise of public rights as required</p>	<ul style="list-style-type: none"> • Acquire/examine a copy of the ‘public notice’ ensuring it identifies the statutory 30 working day period when the Authority’s records are available for public inspection • Check if the Authority has minuted the relevant dates at the same time as approving the AGAR 	<p>No AGAR submitted previously</p>
<p>The Authority complied with the publication requirements for the prior year AGAR</p>	<ul style="list-style-type: none"> • Ensure that the statutory disclosure/publication requirements in relation to the prior year’s AGAR have been met as detailed on the front of the current year’s AGAR 	<p>No AGAR submitted previously</p>
<p>Trust Funds (including charitable) – the Council has met its responsibilities as a trustee</p>	<ul style="list-style-type: none"> • Confirm any charities of which the Authority is a Trustee. • Have they filed the documentation in time at the Charity Commission? • Is the Authority the sole trustee? Check on the Charity Commission website • Check the Council is operating in accordance with the Trust deed • Check minutes and accounts are held separately to that of the Authority • Review the level and activity of the charity. Does it need an Independent Examiner’s report? 	<p>N/A</p>