

## INTERNAL AUDIT CHECKLIST

Council: Ilton Parish Council

Date: 28<sup>th</sup> April 2025

Appropriate accounting records have been properly kept throughout the year AND Periodic bank account reconciliations were properly carried out during the year

REVIEW	COMMENT	Action Required
Ensure the correct roll forward figures of the prior year's cashbook balances to the new financial year.	The correct roll over figure has been used on the AGAR. (£188,419)	
Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained.	A sample of transactions have been reviewed. No material issues have been identified.	
Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members.	Bank reconciliations are prepared monthly. Council uses the Scribe Accounting software. It is signed off by the Chair. Bank statements and copies of all invoices are sent to Members for information.	
Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.	Verified.	
Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	The Council has balances of over £100,000. There is no investment strategy policy in place.	Recommend that an Investment Policy is drawn up and adopted as soon as possible as required by regulations.

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.

REVIEW	COMMENT	Action Required
Review the procedures in place 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.	This is contained in the Financial Regulations are Standing Orders both of which are based on the latest NALC models.	
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)	Values are consistent. Note that the Procurement Act 2023 has now been enacted and Contracts Finder has been superseded by Find a Tender.	
Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation.	A payment schedule is presented to Full Council at each meeting for approval. The list of payments is approved and minuted.	
Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.	Effective segregation is in place. Payments are now all electronic though a number of cheques were written at the beginning of the year.	
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	VAT is claimed annually. The last claim was from 1 <sup>st</sup> March 2024 to 31 <sup>st</sup> March 2025 (£9,203.46)	
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 cards are in place	No debit/credit card is in place.	

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		
REVIEW	COMMENT	Action Required
Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.	A Risk Assessment is in place and was revised in 2024.	
Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security.	Clear Councils provides insurance cover for the Parish Council. It is a standard sector policy and assets are covered.	
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 the appropriate training and accreditation.	Quarterly inspections are carried out by Elite Playgrounds and evidence of repairs undertaken to address issues. An annual independent inspection (Play Inspection Company) is undertaken and weekly inspections are now carried out by a Councillor.	
Review the effectiveness of internal control carried out by the authority.	Effective internal controls are in place and outlined in the Financial Regulations.	

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		
REVIEW	COMMENT	Action Required
Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable.	Confirmed. 2024/25: Minute 2024/6 - £55,000 2025/26: Minute 2025/10 - £55,000	
Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances.	Budget reports are presented to the Finance Committee on a quarterly basis and reviewed in detail. Minutes include the review.	

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		
REVIEW	COMMENT	Action Required
Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances.	Budget monitoring is undertaken quarterly.	
Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	Earmarked Reserves are in place.	
Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the <a href="#">public record of precepted amounts</a> .	Checked and verified.	

Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.		
REVIEW	COMMENT	Action Required
Review "Aged debtor" listings to ensure appropriate follow up action is in place.	No aged debtors were identified.	
Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	Council owns the allotments but they are run by the community.	
Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of <a href="#">Burial / Cremation certificates</a> )	A formal register of burials is maintained and this is currently being transferred into the Scribe Cemetery module. Charges and fees have been reviewed but have not been increased since 2021. A copy of the internment form is available on the website.	
Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of	Lease the land for the recreation ground.	

Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.		
REVIEW	COMMENT	Action Required
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.	Appropriate control procedures are in place. Invoices are produced and payment is recorded and reconciled.	

Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		
REVIEW	COMMENT	Action Required
A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a "Not covered" response is frequently required in this area.	A petty cash account is maintained. Only one transaction has occurred during the year.	It is recommended that Council considers closing the petty cash account down. Small expenses can be claimed on an ad-hoc basis.
Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held.	Only one transaction identified.	

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.		
REVIEW	COMMENT	Action Required
Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract.	Clerk has an employment contract. Ensure that the new Clerk is provided with an employment contract.	
Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	No member allowances are paid.	
Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC	Sample checked. All in order.	

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.		
scale or hourly rate, if off-scale, and also with the contracted hours.		
Ensure that appropriate tax codes are being applied to each employee.	Tax codes are properly applied.	
Where free or paid for software is used, ensure that it is up to date.	HMRC software is used.	
For the test sample of employees, ensure that tax is calculated appropriately.	Tax is calculated via the software.	
Check the correct treatment of Pension contributions	The Clerk has opted out of the pension scheme.	
For NI, ensure that the correct deduction and employer's contributions are applied: NB. The employers' allowance is not available to councils but may be used by other authorities	Checked and verified.	

Asset and investment registers were complete and accurate and properly maintained. This section/assurance includes loans to or by the authority		
REVIEW	COMMENT	Action Required
<b>Tangible Assets</b>		
Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of or no longer serviceable assets.	A formal asset register is in place.	
Physically verifying the existence and condition of high value, high risk assets may be appropriate.	A formal verification was not undertaken.	
The register should identify for each asset the purchase cost and, if practicable, the replacement/insured cost, the latter being updated annually and used to assist in forward planning for asset replacement.	Asset register is laid out as required and updated annually.	

Asset and investment registers were complete and accurate and properly maintained. This section/assurance includes loans to or by the authority

REVIEW	COMMENT	Action Required
Additions and disposals records should allow tracking from the prior year to the current.	The register is updated but the tracking needs to be made a bit clearer if possible.	
Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals.	Checked and verified.	
Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or “self-insured” by the Authority.	Noted that the asset register has identified a shortfall in the insurance cover especially with regard to the containers at the cemetery and sports equipment.	
<b>Fixed asset investments:</b>		
Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the <a href="#">“Investment Strategy”</a> and reported as Assets in the AGAR at section 2, line 9.	No long-term investments are in place.	
<b>Borrowing &amp; Lending:</b>		
Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	The Council has no loans in place.	

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.

REVIEW	COMMENT	Action Required
To ensure that the financial detail reported at section 2 of the AGAR reflects the detail in the accounting records maintained for the financial year.	Checked and verified.	
Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained	Not applicable.	Not covered.

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.		
throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein.		
Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end.	Accounting method is receipts and payments which is appropriate for the size of the Council.	

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.		
REVIEW	COMMENT	Action Required
<p>Ensure that, all <a href="#">relevant criteria</a> are met (receipts and payments each totalled less than £25,000)</p> <ul style="list-style-type: none"> <li>the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline</li> <li>that it has been published, together with all required information on the Authority's website and noticeboard</li> </ul>	N/A	Not covered.

The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation.		
REVIEW	COMMENT	Action Required
Review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation.	The website has the majority of required documentation in place. There are some small gaps.	Recommend that the Transparency Code is reviewed. <a href="#">Transparency code for smaller authorities - GOV.UK</a>

The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.		
REVIEW	COMMENT	Action Required
Examine a copy of the required "Public	Uploaded onto the website.	



The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.

REVIEW	COMMENT	Action Required
Notice” ensuring that it clearly identifies the statutory 30 working day period when the Authority’s records are available for public inspection.		
Check whether council has minuted the relevant dates at the same time as approving the AGAR	Council minuted the period of notice for the exercise of public rights as 17 <sup>th</sup> June to 26 <sup>th</sup> July 24. Meets requirements.	

The authority complied with the publication requirements for the prior year AGAR.

REVIEW	COMMENT	Action Required
Ensure that the statutory disclosure/publication requirements in relation to the prior year’s AGAR have been met as detailed on the front page of the current year’s AGAR.	Publication requirements have been met.	

Trust funds (including charitable) - the Council met its responsibilities as a trustee

REVIEW	COMMENT	Action Required
Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements	The Council is not a sole trustee.	