



Lincolnshire Association
of Local Councils

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Sleaford Town Council - Internal Audit Checklist 2021/22

Name of Parish or Town Council	Sleaford Town Council		
Parish Council website	https://www. https://www.sleaford.gov.uk/		
Name of internal auditor	Steve Fletcher		
Date of audit	Site Visit – 24th June 2022	Review of Documents - 9th to 30th June 2022	
Type of audit	Intermediate and Year-end (including AGAR)		
Council contact information	Name	Email	
Clerk (Deputy)	Nicola Marshall	enquiries@sleaford.gov.uk	
RFO (if different)	Michelle Free	RFO@sleaford.gov.uk	
Chairman	Cllr Linda Edwards-Shea	lindaes@sleaford.gov.uk	
Electorate	14,717	Total number of seats	18
Quorum	6	Number of councillor vacancies	1 – Westholme Ward
Precept Demand 2021/22	£ 690,651	Gross budgeted Income	3 775,626
Date of most recent audit	October 2021	Date of next audit	TBC
	Y/N	Comments	
Has the internal auditor seen previous audit reports including the most recent?	Y	Internal Audit report dated 27.10.2021	
Is there evidence that previous internal and external audit reports have been acted upon?	N	The audit report was received by the Finance and Strategy Panel, presented to Town Council – there is no evidence to show that this report was properly considered or acted upon.	

Key governance review		Y/N	Comments & recommendations	Risk		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y	Reviewed May 2022 - https://www.sleaford.gov.uk/uploads/6-chapter-3-standing-orders.pdf?v=1653305743 Full comprehensive review recommended		✓	
2	Financial regulations (tailored and reviewed)	Y	Reviewed May 2022 https://www.sleaford.gov.uk/uploads/7-chapter-4-financial-regulations.pdf?v=1653305842 Full comprehensive review recommended		✓	
3	Terms of reference (ToR) (committees / working groups / panels)	Part	Ongoing review process. It is noted that panel meetings have been temporarily suspended by the Town Council	✓	✓	
4	Acceptance of Office (elected Members)	Y	Evidenced - website https://www.sleaford.gov.uk/councillors.html	✓		
	Code of Conduct (elected Members)	Y	Evidenced - website https://www.sleaford.gov.uk/councillors.html https://www.sleaford.gov.uk/uploads/13-chapter-10-member-code-of-conduct.pdf?v=1653306691	✓		
5	Complaints procedure (tailored and reviewed)	Y	Reviewed May 2022 https://www.sleaford.gov.uk/uploads/28-chapter-24-complaints-procedure-policy.pdf?v=1653307443	✓		
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 – vehicles and equipment 	Y Y Y Y Y Y	Evidenced – physical sight of documentation for 2021/22 and 2022/23 administration periods	✓		

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
7	Internal controls (statement or review)	Y	Adequate measures in place and followed by staff members. (limited evidence)	✓		
8	Investment strategy	N	Council may consider construction and adoption of an Investment Strategy to aid future budgetary provision, project delivery, general/earmarked reserves and protection of public funds.	✓	✓	
9	Publication scheme (reviewed)	Y	Publication scheme reviewed May 2022	✓		
10	Risk Management Policy (statement or review)	Y	Evidenced - Constitution Chapter 13 Financial Risk Management Risk Register	✓		
11	Pay policy (staffing - reviewed)	N	No actual policy. Staff employed under NJC contracts. Salaries considered (amounts only) as part of budget process. See 62 below		✓	
12	Spending authorised	Y	Evidenced – minutes. Note: Link on financial page (website) remains broken	✓		
13	Procurement correctly administered	Y	Evidenced - Website	✓		
14	Land and assets (reviewed)	Y	Part of insurance review process	✓		
15	Adequate GDPR policy / procedures in place	N	The hyperlink to the adopted GDPR policy is broken: www.sleaford.gov.uk/PDF/Data%20Protection%20Policy.pdf		✓	✓
16	Arrangement for inspection of public records adequate	Y	Evidenced - 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 1st July	Y	Evidenced – minutes	✓		
18	End of year accounts published by 1st July (2020/21)	Y	Evidenced – Website Note – extension applied (2021/22)	✓		
19	Annual Governance statement published by 1st July	Y	Evidenced – Website Note – extension applied (2021/22)	✓		
20	Internal audit report published by 1st July	Y	Evidenced – Website Note – extension applied (2021/22)	✓		

21	Affirmation of Councillor responsibilities published by 1st July	Y	Evidenced – Website Note – extension applied (2021/22)	✓		
22	Asset register published by 1st July	Y	Evidenced – Website Note – extension applied (2021/22)	✓		
23	Agendas and meeting papers published within three clear days	Y	Evidenced - website Note: Annual Meeting – Legal requirement for the appointment of Chairman to be the first agenda item.	✓		
24	Draft minutes published within one month of the meeting	Y	Evidenced – website	✓		
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 • evidence of recording	Y	Evidenced – Files / PC	✓		
	• evidence of reclaiming	Part	Note: Error in re-claim of quarter 2 (July-Sept 2021); adjustment to follow.		✓	
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	Part	Evidenced – Files / PC Note: temporary RFO is in the process of updating to show correct amounts within accounts	✓		
31	Payments made in accordance with financial regs • Cheques • Online banking • BACS • Direct Debit (utility supplies) • Credit or debit cards	Y n/a 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	N	No review evident.		✓	
35	Budget is monitored regularly with variances reported to council in line with Financial regulations	Y	Evidenced – website / minutes / 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 - Note: Reconciliation of Petty cash as of 24.06.22 attached. Minimal physical 'cash' income – recorded using 'Kalamazoo' system	✓		
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 of Finance & Strategy Panel and Town Council	✓		
41	Balancing entries (adjustments) explained	n/a	-	-	-	-
42	Bank mandate up to date <ul style="list-style-type: none"> Evidence of signatories 	Part	Approved at annual meeting 2019/20 scheduled 2023. Financial Regulations are remiss in the explicit timeframe of authorised signatories.	✓		

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 Finance & Strategy Panel	✓		
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 - Edge software used	✓		

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 – PC files – managed using Edge software.	✓		
52	Assets inspected and Health & Safety issues considered <ul style="list-style-type: none"> Play equipment Street furniture Fire safety 	Y Y Y Y	Evidenced – files Note: Staff members had recently attended a fire safety course	✓		

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	Part	Files backed up to 'O' drive. Staff to discuss further with IT provider.	✓	✓	
60	Storage of files (paper and electronic) adequate	Y	Evidenced – website / files Effective storage of [original] burial records / financial records/transactions (fireproof storage)	✓		
61	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N	Deputy Clerk is CiLCA qualified.	✓		

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	Employee posts properly recorded	Y	NALC / NJC Contracts of employment for staff members	✓		
	<ul style="list-style-type: none"> Temporary Acting Proper Officer (CIr) 	*	Chairman is also the acting proper officer – there may be an issue in respect of signing the AGAR 2021/22		✓	
	<ul style="list-style-type: none"> Deputy Clerk Temporary RFO Admin officers Service team Leader General Operatives 	Y				
	Staffing General	Y				
	<ul style="list-style-type: none"> Annual appraisals undertaken 	Y	Part Evidenced – files			✓
	<ul style="list-style-type: none"> Job evaluation / reviews undertaken 	Y	Part Some staff member roles and pay scales have not been reviewed (1 since 2012). This could lead to challenge (grievance) and/or employment tribunal.		✓	✓
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(s) Chairman 	Y Y Y	Evidenced – website / files	✓		
65	Co-options according to policy	Y	Evidenced - files	✓		
66	Agenda documents correct	Y	Evidenced – website / files	✓		
67	Minutes correct / signed	Y	Evidenced – files	✓		
68	Purchase order system used/correct	Y	Via Edge software – in accordance with Financial Regulations	✓		

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 	Part Y Y Y Y	*Delegation of any function, role or supervision to an individual Councillor is not best practice and could lead to challenge (Hillingdon Rule) Evidenced - Standing Orders, Contract(s) of employment, minutes	✓		

		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 (Deputy) <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	Y n/a		✓		
82	Annual appraisal(s) undertaken	Y	Evidenced – files	✓		
83	Job description(s) reviewed / up to date and periodic pay scale reviews undertaken	N	Some staff member roles and pay scales have not been reviewed (one since 2012). This could lead to challenge (by way of grievance process) which may lead to employment tribunal.			✓
84	Health and safety of staff workstation & PC equipment undertaken <ul style="list-style-type: none"> • Display Screen Equipment 	Y	Evidence – verbal assurance (Deputy Clerk)	✓		

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	02.04.21	21.06.21	11.08.21	08.10.21	15.01.22	23.03.22
Payee	J Dawson	PASL	PPQ Ltd	Edge IT Software	NKDC	EKM
Reference / Cheque number	10040/21	20040	40040/2	10040/11	30150/1/1	30040/8
Service receipt confirmed	Y	Y	Y	Y	Y	Y
Payment minute reference						
Invoice value	75.00	240.00	145.00	1,377.12	769.00	2,943.60
Reported (minute/finance) value agrees	Y	Y	Y	Y	Y	Y
Payment value agrees	Y	Y	Y	Y	Y	Y
Bank statement value agrees	Y	Y	Y	Y	Y	Y
Timely payment (within 30 days of receipt of goods/invoice)	Y	Y	Y	Y	Y	Y
VAT recorded (amount)	Y	Y	Y	Y	Y	Y
VAT reclaimed	Y	Y	Y	N*	Y	Y
S137 minuted	n/a	n/a	n/a	n/a	n/a	n/a
Notes				Incorrect VAT reclaim (quarter 2) 2020 / 2021 in process of rectification		

Appendix: additional areas for audit

	Allotments	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	Y	Evidenced – Files. Original copies stored safely. Managed using Edge software.	✓		
A4	Agreements/licences issued to all plot holders	Y	Evidenced – Files.	✓		

	Burials	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance	Y	Evidenced – files and financial records	✓		
B2	Fees charged in accordance with approved rates / financial regulations	Y	Last reviewed 2018	✓	✓	
B3	All interred ashes have certificates of cremation	Y	Evidenced - files	✓		
B4	Permits properly documented and stored	Y	Evidenced - Fireproof storage	✓		
B5	Cemetery regulations adopted and up to date	N	Last reviewed 2018		✓	
B6	Registers of burials and purchased graves completed correctly and stored safely	Y	Evidenced – original documents kept securely in fireproof storage – backed up to 'O' drive	✓		
B7	Burial certificates issued correctly	Y	Evidenced – original documents kept securely in fireproof storage – backed up to 'O' drive	✓		
B8	Green slips returned appropriately to Registrar	Y	Evidenced – files / records	✓		
B9	Legible cemetery burial plan up to date • backed up if appropriate	Y	Evidenced – file PC record	✓		
B10	Business rates exemptions correctly applied	n/a		-	-	-

	Charities – Dickinson Legacy	Y/N	Comments & Recommendations	Risk		
				Low	Med	High

C1	Accounted for separately	Y	Evidenced - Accounts	✓		
C2	Independently audited	N	I am advised that this is not a registered charity / charity account and therefore independent auditing is not required	✓		
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	Y	Evidenced - Accounts	✓		
M2	Fees charged in accordance with approved rates	Y	Last reviewed 2019	✓		
M3	Up to date occupancy details kept and securely retained	Y	Evidenced - Files	✓		
M4	Statutory records kept / stored safely	Y	Evidenced - Files	✓		
M5	Agreements/licences issued to all stall holders	Y	Evidenced - Files	✓		
M6	Other	n/a		-	-	-

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