

Elker Lodge Bookkeeping Services Internal Audit Service - Checklist for Year Ending 31 March 2022

Band	Income or Expenditure (whichever is the higher)	Fee	Quoted
1	£0 to £5,000	£110	
2	£5,001 to £10,000	£140	X
3	£10,001 - £25,000	£230	
4	£25,001 - £50,000	£265	
5	>£50,000	POA	

Councillors		Elected	DOI
Chair	Councillor Neal Topham - Winksley Ward	May 2022	Parish council - Azerley and Winksley Harrogate Borough Council
	Councillor Jan Lawson - Azerley Ward	May 2022	
	Councillor Sheila Miller - Winksley Ward	May 2022	
	Councillor Brian Thackray - Mickley Ward	May 2022	
	Councillor Robert Weatherhead	May 2022	
	Councillor Patricia Harling - Mickley Ward	May 2022	

Name of Council	Azerley	Name of Clerk:	Mr David Taylor
No. of councillors	5	Name of RFO (if different)	
Precept	6600		
Gross budgeted income	6618.96		

Opening Balance Check			Activity Check			Payments Check			
D/B Bank Statement	9379.43		D/B Cashbook	9379.43		Total Exp in Year	6,374.01		
D/B Cashbook	9,379.43		Total Receipts in Yr	6,618.96		Salarie in the Year	3,672.58		
	0.00		Total Exp in Year	6,374.01		Milage All			
unpresented payments at Y/E			C/B Cashbook	9,624.38		Paye in Yr	81.80		
unpresented receipts at Y/E	0.00		missed acc	0.00					
Bank error		Missed acc		0.00	should be Zero		3,754.38		
	0.00	should be Zero							
						Total less Staff	2,619.63		
Closing Balance Check			Receipts Check			Other Exp on CB	2,619.63		
C/B Bank Statement	9,624.38		Total Receipts in Yr	6,618.96			0.00	should be Zero	
C/B Cashbook	9,624.38		Less Precep	6,600.00					
	0.00			18.96					
unpresented payments at Y/E			Total Other Receipts	18.96					
unpresented receipts at Y/E	0.00			0.00	should be Zero				
missed acc						1 Balances Brought Forward	9,379	9,379.43	-0.43
	0.00	should be Zero				2 Precept or Rates and Levies	6,600	6,600.00	0.00
						3 Total Other Receipts	19	18.96	0.04
Banks	o/b					4 Staff Costs	3,755	3,754.38	0.62
	9,379.43					5 Loan Interest/Capital Repayment	0	0.00	0.00
		c/b				6 All Other Payments	2,620	2,619.63	0.37
		9,624.38				7 Balances Carried Forward	9,624	9,624.38	-0.38
						8 Total Cash and Short Term Investments	9,324		
	9,379.43	0.00							
		9,624.38							

1. Bookkeeping	Yes / No	Reviewed In Year		Observations	Suggested advice to be given by EBS
		Y / N	Date		
1.1. Cash book maintained and up to date?	See Notes	Cash Book is only an income & Expenditure,		<p>Recommend ongoing bank reconciliation not just in minutes A bank rec in the cash book aids transparency,</p> <p>Sample sent to David to evaluate.</p>	
1.2. Payments in cashbook supported by invoices, authorised and minuted?	Yes	<p>1.For one off payments.</p> <p>2.When they come in to me I over print them with a "stamp". I then take them to the next meeting, get them signed by 2 councillors and the date of the meeting.</p> <p>3.Bishop Thornton operates a 2 signatures BIB system. I initiate the payment and it is completed only when another councillor goes online and authorises it. NB a payment cannot be made by two councillors; I must be one of the BIB "signatories". I then pay the invoice and fill in to minute and BIB date. I clip the BIB printout to the invoice.</p> <p>4.They are them entered into the cash book.</p>		Good system in place	
1.3. General Power of Competence (GPC) eligibility is properly evidenced? CiLCA Certificate seen / 2/3 of Councillors elected	No				
1.4. Expenditure Legal powers identified in minutes and/or cashbook? Only applicable if no General Power of Competence	Yes				
1.5. VAT evidence, recording and reclaimed?	Yes				
1.6. Is there a Bank Reconciliation – All accounts	No	See 1.1		Recommend an ongoing Bank Reconciliation	
1.7. Any unexplained balancing entries in any reconciliation?					
1.8. Bank statements and ledger (Cashbook) reconcile?					
1.9. Opening Balance on Balance sheet – Reconciles to Previous closing balance.					

1.10. Underlying financial trail from records to presented accounts? Notes to late clearing prev yr Transactions		Yes		
1.11. Where appropriate, debtors and creditors properly recorded?		n/a		
1.12. S137 separately recorded and within limits?		Yes	Not Used	There needs to be a S137 column even if not used
1.13. S137 expenditure of direct benefit to electorate?				
1.14. S137 expenditure minuted?				
1.15. Evidence of Internal Control and effectiveness of this reviewed		Yes	Within meetings small council	
1.16. Does the Council manage petty cash and is it accounted for properly and included in the AGAR figures		Not held		
1.17. Has the Council dealt with the AGAR in the correct way? All signed and declared correctly and legitimately? (Annual Governance Accountability Return) submitted by 1 st July		Yes		
Finance	SR	1.18. Model Financial Regulations (NALC 2019)	Yes	On Website
Finance	SR	1.19. Financial Regulations properly tailored to council?	Yes	
Finance	SR	1.20. Purchasing authority defined in Financial Regulations?	Yes	
Finance	AR	1.21. Financial Risk Assessment / Management Policy – per Reg 3c of (A&A R 2015)	Yes	
Finance	AR	1.22. Financial Risk / Internal Controls Checklist – evidence of random checks	No	
Finance	AR	1.23. Financial risk Assessment - Annual - Process / team working / random Checks, doc in minutes	Yes	Within meetings small council
Finance	AR	1.24. Adequate internal controls for payments? Including adequate arrangements for BACS payments, direct debits and standing orders? Split Roles	Yes	Within meetings small council
Finance	AR	1.25. External Audit - has council correctly declared itself exempt from?	Yes	

2. Budget / Reserves		Yes / No	Observations	Suggested advice to be given by EBS
2.1.	Annual budget to support precept? Calculated expenses less income not inc precept – not just a % inflation increase – suggests council is not responsive.	Yes	28 th January 2021 Minutes 2021-016 Appendix B	precept to keep up with current expenditure
2.2.	Has budget been discussed and adopted by council? In minutes	Yes		
2.3.	Precept demand to invoicing authority correctly minuted? In minutes			
2.4.	Budget against spend comparisons provided regularly to the Council with bank reconciliation.? In minutes			
2.5.	Any reserves earmarked?	No	None but seen mentioned in budget	Recommend councillors consider reserves for ongoing costs for defibrillator
2.6.	Level of general reserves within Proper Practice? le between 3 and 12 months running costs	Yes		
2.7.	Any unexplained variances from budget?	No		

3. Asset Control			Yes / No	Reviewed In Year		Observations	Suggested advice to be given by EBS
				Y / N	Date		
Finance	AR	3.1. Asset Register	Yes				Share value should be updated yearly
Finance	AR	3.2. Insurance Register	No				
		3.3. Value of individual assets included?	Yes				
		3.4. Inspected for risk and up to date inspection records exist	No				Recommend councillors minute checking assets to any risks
		3.5. Record of deeds, articles and land register references available?	Yes				

4. Risk Management (Financial)	Yes	Reviewed In Year		Observations	Suggested advice to be given by EBS
		Y / N	Date		
4.1. Does scan of minutes reveal any unusual activity?	No			Nov 21 minutes missing Mo minutes after April 22 minute missing ? a meeting in january	
4.2. Insurance cover appropriate and adequate?	Yes				
4.3. Does the Council have any cash investments?	No				
4.4. If 'yes' at 4.3, has the Council considered the Government's investment guidance?					
4.5. Is the Council the trustee of a charity?	No				
4.6. If 'yes' at 8.6, have the charity accounts been audited separately in the year?					
4.7. Has the Council any outstanding loans? PWLB	No				
4.8. If 'yes' at 4.7, has it budgeted for repayments in the year?					

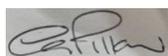
5. Payroll – Clerk and other employees			Yes / No	Reviewed In Year		Observations	Reviewed In Year
				Y / N	Date		
5.1. Does the Council operate its own payroll? Is it outsourced if not? If neither, how does the Council manage payroll			Yes	C/o York's Account Payroll Management			
5.2. PAYE/NI/RTI evidence? ie, P32 records							
5.3. Has council approved salary paid?							
5.4. Salary accords with SCP (Salary Calculated Pay) agreed by Council							
5.5. Other payments reasonable and approved by council?							
5.6. Wage slips and P60 evidence?							
5.7. Pension obligations met?			No	Opted out			
Employment/ Personnel	SR	5.8. Contract of employment for all members of staff	No	Not held by clerk, clerk not concerned		Clerk aware that there should be a contract of employment in place	
Employment/ Personnel	BP	5.9. Expenses Policy for Clerk	No	No Evidence		Should be adopted and loaded on web for transparency	
Employment/ Personnel	SR	5.10. Pensions Policy	No	No Evidence		Must be loaded to Website for transparency	
Employment/ Personnel	BP	5.11. Sickness & Absence Policy	No	No Evidence		Should be adopted and loaded on web for transparency	
Employment/ Personnel	BP	5.12. Training and Development Policy	No	No Evidence		Should be adopted and loaded on web for transparency	
Employment/ Personnel	BP	5.13. Bullying and Harassment/Dignity at Work Policy	No	No Evidence		Should be adopted and loaded on web for transparency	
Employment/ Personnel	BP	5.14. Equal Opportunities Policy?	No	No Evidence		Should be adopted and loaded on web for transparency	
Employment/ Personnel	BP	5.15. Grievance and Disciplinary Policy?	No	No Evidence		Should be adopted and loaded on web for transparency	

6. Transparency / Internal Controls	Yes / No	Observations / Missing Years	Suggested advice to be given by EBS
6.1. Is the Council exempt from external audit – Annual turnover <25K – Check 1.27	Yes		
6.2. Is the Council compliant with the Transparency Code for Smaller Authorities? Minutes listed on website from April 2015 Draft or Approved? / Within one month / If draft why not approved? If approved why not replaced draft on website?	No	No Minutes 2015/2016 2016/2017 28/3/19 missing Nov 21 minutes missing - Mo minutes after ? a meeting in January April 22 minute missing	
6.3. APM & APCM Minutes listed on website from Apr 2015 Annual Parish Meeting (APM) The APM is not a PC meeting, so must be separate Annual Parish Council Meeting (APCM) It is good practice for the APCM to be a separate meeting	No	No Minutes on web	Need uploading to website for transparency
6.4. Minutes initialled, each page identified and overall signed?	Yes		
6.5. Minutes include Bank Balance	Yes		
6.6. Minutes include payments reviewed & Agreed	Yes		
6.7. Is the Council compliant with the Transparency Code for Smaller Authorities? End of Year Accounts listed on website from y/e 31/3/2016 Cashbooks / Budgets / Bank Reconciliations	No	All Years Missing	Need uploading to website for transparency
6.8. Is the Council compliant with the Transparency Code for Smaller Authorities? Internal Auditor Reports listed on website from y/e 31/3/2016	No	All Years Missing	Need uploading to website for transparency
6.9. Have points raised at the last Internal Auditor been addressed?	No	Unknown	Needs urgent attention
6.10. Is the Council compliant with the Transparency Code for Smaller Authorities? External Auditor Reports / Audited Agar listed on website from y/e 31/3/2016	No	2016/17 2017/18 - AGAR's Missing	Need uploading to website for transparency
6.11. Is the Council compliant with the Transparency Code for Smaller Authorities? Asset Register listed on website from April 2015 Check 3.1	Yes		Need updating
6.12. Is the Council compliant with the Transparency Code for Smaller Authorities? A list of councillor responsibilities listed on website from April 2015	See note	Small Council, no individual split roles	
6.13. Do arrangements for public inspection of council's records exist? Dates when they were open – 30 working days including 1 st 10 working days of July	No	13 May -27 th June d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.	David explained that this was late and dates as advised by external auditor Advise clear minutes for explain dates and 2 public rights periods.

Mand/Stat Req (SR) Best Practice (BP) Audit Req (AR)		7. Due Process & Policies	Y / N	Reviewed In Year		Observations	Suggested advice to be given by EBS
				Y / N	Date		
Basic Governance	SR	7.1. Code of Conduct since July 2012? (to be replaced)	Yes				
Basic Governance	SR	7.2. Committee terms of reference exist & have been reviewed? Only required if any committees	N/A				
Basic Governance	BP	7.3. List of member interests held?	No	No Evidence on web		Must be loaded to Website for transparency	
Basic Governance	SR	7.4. Model Standing Orders	Yes	Listed as Publication Scheme			
Openness & Accountability	SR	7.5. Complaint's Policy	No	No Evidence		Must be loaded to Website for transparency	
Openness & Accountability	BP	7.6. Recording Policy – Video / audio etc	No	No Evidence		Should be loaded to Website for transparency	
Data Protection/ GDPR	SR	7.7. GDPR Policy - Privacy notice – general	Yes				
Openness & Accountability & Data Protection/GDPR		7.8. ICO licence - ICO Model Publication Scheme 2014	No	No Evidence		Urgently check I.C.O. guidance	
Data Protection/GDPR	SR	7.9. Privacy notice – employees, councillors, role holders and volunteers	No	No Evidence		Must be loaded to Website for transparency	
Data Protection/GDPR	BP	7.10. Has the Council done a data audit ? Remove personal information	Not required ; no data held that's not required				
	SR	7.11. Notice of meeting displayed with 3 clear working days' notice in a conspicuous place	Yes	Clerks put up week before on notice boards and sends to Agendas councillors			
	SR	7.12. Summons signed, and issued to councillors with agenda, with 3 clear days' notice? ? Agenda used	Yes	Agenda is summons			

8. Data	Y / N	Observations	Suggested advice to be given by EBS
8.1. Are all electronic files backed up?	Yes	USB	
8.2. Does the Council have a website or use another data platform?	Yes		Easy to Follow, but not up to date as stated above

Annual Governance and Accountability Return		
	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	9331	9379
2. Annual precept	6500	6600
3. Total other receipts	457	19
4. Staff costs	3189	3755
5. Loan interest/capital repayments	0	0
6. Total other payments	3720	2620
7. Balances carried forward	9379	9624
8. Total cash and investments	9379	9624
9. Total fixed assets and long-term assets	14276	14276
10. Total borrowings	0	0

Internal audit carried out by	(signed)	(print)
		C Pillow
Date	23/05/2022	

For auditor's use only	
Internal audit section of AGAR completed and signed	
Report sent to council	
Copy of internal auditor's report sent to EBS with details of any advice/guidance needed to be given	

David has provided all information to complete the audit

Record keeping is good, we have discussed slight additions to the cashbook to aid on going reconciliation.

David will work on adding more minutes, cashbooks, Agars to the website to aid transparency