

Internal Audit Checklist

Name of Council	Stalham	Name of Clerk	D Joy	No. of Councillors	11
Name of RFO	D Joy	Quorum	4	Precept	190,000

Book-Keeping	Ledger maintained and up to date?	Yes
	Arithmetic correct?	Yes
	Evidence of Internal Control?	Yes
	VAT evidence, recording & reclaim	Yes
	Payment ledger supported by invoices, authorised & minuted?	Yes
	S137 separately recorded & within limits?	GPOC
	S137 expenditure direct benefit to electorate?	GPOC
Due Process	Latest Standing Orders Adopted?	Yes
	Standing Orders reviewed?	Yes
	Financial Regulations (FR) adopted?	Yes
	FR properly tailored to council?	Yes
	Equality and Diversity policy adopted?	Yes
	Adequate Internal Controls for payments?	Yes
	List of member interests held?	Yes
	Agendas signed, specified & displayed with 3 clear days' notice	Yes
	Purchase orders raised for all expenditure (if used)?	N/A
	Purchasing authority defined in FR?	Yes
	Committee terms of reference exist & reviewed	Yes
	Website accessible & regularly updated for Transparency Code?	See Note
	Is eligibility for General Power of Competence properly	Yes

	evidenced?		
	Do arrangements for public inspection of council's records exist?	Yes	
Risk Management	Does scan of minutes reveal any unusual activity?	No	
	Annual risk assessment carried out?	Yes	
	Insurance cover appropriate and adequate?	Yes	
	Evidence of annual insurance review?	Yes	
	Minutes initialled, each page identified and overall signed?	Yes	
	Regular financial reporting as agreed by Council?	Yes	
	S137 Expenditure minuted?	GPOC	
	Control measures specific to the risks of online banking	Yes	
	Is public liability insurance in place?	Yes	
	Is officer fidelity insurance in place?	Yes	
	Evidence of internal & external audit reports received & actioned?	Yes	
	Are all electronic files backed up?	Yes	
Budget	Annual budget to support precept?	Yes	
	Has budget been discussed and adopted by council?	Yes	
	Any reserves earmarked?	Yes	
	Any unexplained variances from budget?	No	
	Precept demand correctly minuted?	Yes	
Employment	Contract of employment?	Locum Clerk See note	
	HMRC arrangements and payments correct?	Yes	
	Council or committee with devolved authority approved salary payment?	Yes	
	Other payments reasonable and approved by council	Yes	
	Pension contributions recorded and paid?	Yes	

	Does council have employer liability insurance?	Yes
Asset Control	Does council keep a register of all assets owned?	Yes
	Is asset register up to date?	Yes
	Value of individual assets included?	Yes
	Inspected for risk and up to date inspection records exist?	Yes
	Record of deeds, articles and land register references	No evidence
Bank Reconciliation	Bank reconciliations covering accounts, investments & cash in hand?	Yes
	Are reconciliations presented to council at agreed intervals?	Yes
Year End Procedures	Year end accounts prepared on correct accounting basis?	Yes – getting close to inc & exp threshold
	Bank statements and ledger reconcile?	Yes
	Underlying financial trail from records to presented accounts?	Yes
	Where appropriate, debtors and creditors properly recorded	Yes
Allotments		
	9.1 Are annual tenancy agreements issued?	No evidence
	9.2 Are all rents received?	Not covered
	9.3 Are allotment rules issued to all tenancy holders?	Not covered
Transparency Codes	All items of expenditure as required published by 1 st July?	Yes
	End of year accounts published by 1 st July?	Yes

	Annual Governance Statement published by 1 st July?	Yes
	Internal Audit Report published by 1 st July?	Yes
	Councillor responsibilities published by 1 st July?	Yes
	Asset register published by 1 st July?	Yes
	Agendas and meeting papers published within 3 clear days?	Yes
	(Draft) Minutes published within one month of the meeting?	Yes

Recommendations and Observations

Updates from last year

- Following the elections new Register of Interest forms are required. The District Council website still shows the old forms. Suggest checking this at the end of August and if not updated ask NNDC when this will be done. *In place*
- I have not reviewed the Burial procedures and documents as these were not provided. These **MUST** be reviewed next year. – *Reviewed this year*
- The two locum clerks were appointed in February but there is no indication in the minutes of an appointment of an RFO. This is a mandatory requirement for Town and Parish Councils and should be rectified as soon as possible. A councillor can be appointed RFO even if staff undertake all the finance work and this might be a preference until a permanent clerk is appointed. *D Joy appointed in August*
- Some of the bank statements still appear to have the previous clerks address – if this hasn't been changed suggest this happens immediately and use the Town Hall address in future for all correspondence. *All accounts now have Town Hall address*
- The process of recording payments in the file could be refined. At the moment every payment includes a sheet showing the details. The details of the payment itself are on the invoices. The details for how it is handled by the Town Council could be recorded via the use of stamp placed on all papers. This would reduce the paper use considerably and also reduce the amount of filing space required. *Same practice still in place – is this really useful?*
- There does not appear to be any invoicing system for income due – if there is no evidence was presented. All regularly income (burials, allotments, markets) should be invoiced
- There does not appear to be any internal scrutineer or if there is any work has not been minuted – *Now in hand*

Comments this year

- In June (minute 8.8) refers to a grant for the Recreation Ground Charity. This proposal does not mention an agreed figure so is very open ended and could lead to confusion.

- The October minutes repeat the September Chairmans report
- The rates are paid half-yearly but all the accompanying paperwork refers to them being paid in full in April
- Is the invoicing system on Rialtus used? This could be used for hall hire, allotments, burials and events to keep a better track of income due.
- Consider speaking with regular hirers about invoicing monthly
- The council have employed locum clerks for over a year. This is not good practice and can leave the council without any continuity
- It is now a requirement for five previous years of financial records to be available on the website – currently none available