

INTERNAL AUDIT CHECKLIST

Council: Llanvaches Community Council

Date: 10th June 2024

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.	Checked and verified. Roll over figure is £5,656.	
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.	Sample checked. No material differences identified.	
Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members.	Bank reconciliations are reared monthly and presented to Council for approval.	
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.	Checked and verified.	
Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	N/A	

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.	Outlined in Standing Orders and Financial 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
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)	Standing Orders and Financial Regulations are in place but the Financial Regulations do not have reference to Contracts Finder and other financial information contained in Standing Orders.	Recommend a review of Financial Regulations following the recent publication by NALC of revised Financial Regulations. Contact One Voice Wales for further information.
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.	Procedures are appropriate. All accounts for payment are considered and approved by Council prior to payment.	
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.	
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 claims are submitted annually. 2022/23 VAT submitted and received. 2023/24 awaiting submission.	
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	N/A	

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.	Risk Management Strategy in place and is reviewed. Minute ref 3736(c)	

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 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.	Adequate insurance cover is in place.	
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.	Annual inspections of the playground are undertaken and referenced in the minutes. These are normally undertaken by Gordon Play Inspectors. Fortnightly inspections are carried out and reported to Full Council with any actions listed. Regular agenda item on Full Council.	
Review the effectiveness of internal control carried out by the authority.	Internal controls policy is in place and has been reviewed.	

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.	Checked and verified. Minute 3785(c)	
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 provided to Full Council quarterly and uploaded on to the website.	
Review the budget performance either during the year or at the financial year-end seeking	These are presented quarterly alongside the accounts.	

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		
explanations for any significant or unanticipated variances.		
Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	There are reserves in place and allocated to specific projects.	
Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts .	Checked and correct.	

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.	None identified.	
Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	N/A	
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 Burial / Cremation certificates)	N/A	
Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised.	N/A	
Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of	No leases have been identified.	

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.	Income is received electronically. No cash income is collected. All income recorded and presented monthly as part of the agenda.	
Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked.	All in order.	

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.	Council does not operate a petty cash account. Expenses are presented to Full Council and reimbursed accordingly.	

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.	Contract for Clerk is in place and signed.	
Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	No members allowances paid.	

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.

Ensure that, for 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 with the contracted hours.	Only one member of staff employed. Salary payments are presented to Council and approved as are any annual salary increases.	
Ensure that appropriate tax codes are being applied to each employee.	Checked.	
Where free or paid for software is used, ensure that it is up to date.	HMRC software is currently being used and is updated as required.	
For the test sample of employees, ensure that tax is calculated appropriately.	All in order.	
Check the correct treatment of Pension contributions	No pension payments are made. Clerk is not a member of a pension fund. Salary is under £10,000.	
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	NI threshold not reached.	
Ensure that the correct employers' pension percentage contribution is being applied	N/A	
Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.	Checked.	

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
Tangible Assets		
Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net	Asset register in place 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
of VAT and removing any disposed of or no longer serviceable assets.		
Physically verifying the existence and condition of high value, high risk assets may be appropriate.	Not physically checked.	
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 records purchase cost and replacement cost as well as insurance replacement values.	
Additions and disposals records should allow tracking from the prior year to the current.	Disposals are included on the asset register.	
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.	Cross referenced. Adequate insurance cover is in place.	
Fixed asset investments:		
Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the “Investment Strategy” and reported as Assets in the AGAR at section 2, line 9.	No long-term investments are in place.	
Borrowing & Lending:		
Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	Council currently has no loans.	

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 throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein.	N/A	
Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end.	Appropriate accounting arrangements are in place.	

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.	Website meets publishing requirements.	

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 Notice" ensuring that it clearly identifies the statutory 20 working day period when the Authority's records are available for public inspection.	Erection of all notices are erected on the village noticeboards and uploaded on to the Council 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
Check whether council has minuted the relevant dates at the same time as approving the AGAR	Exercise of electors rights are not included in the minutes.	Recommend that Council includes the dates of the public notice in its minutes.

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.	Previous AGARs have bene published going back to 2017-18	

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	Council is not a Sole Trustee.	