

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		
3	£10,001 - £25,000	£230		x
4	£25,001 - £50,000	£265		
5	>£50,000	POA		

Councillors		Elected	DOI
Chair	<i>Mr Martin Kirbitson</i>	05.05.22	Parish council - Grantley and Sawley Harrogate Borough Council Link needs correcting
	<i>Mr Mark Smeeden</i>	05.05.22	
	<i>Mr Simon Learoyd</i>	05.05.22	
	<i>Mr James Wigginton</i>	05.05.22	
	<i>Mr Will Parry</i>	05.05.22	
	Mr John Lennon	05.05.22	

Name of Council	Grantley & Sawley Parish Council	Name of Clerk:	Mr David Taylor
No. of councillors	5 6 Since 05.05.2022	Name of RFO (if different)	
Precept	8750		
Gross budgeted income			

GRANTLEY, SAWLEY, SKELDING & EAVESTONE PARISH COUNCIL

INCLUDING THE VILLAGE OF RISPLITH

MINUTES – Date 18th May 2021

Bank Reconciliation as at 18.05.2021

Parish Room Funds ONLY

HSBC a/c *****24	£	248.24
HSBC a/c *****47	£	41,689.72
HSBC a/c *****39	£	479.10
Cambridge Building Society	£	36,241.00
Co-Operative Bank	£	51,810.58
Sub		
Total		£ 130,468.64

Cash Book

Please note that account HSBC a/c *****47 is higher than usual as it contains funds from the old Castle Trust account that is waiting to be transferred into a CCLA fund as agreed at the last meeting.

Please note that the Co-Operative Building Society account total is a historical figure that will be updated shortly when the forms signed at the last meeting have been actioned.

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			<p>18/5/21 Minutes Appendix C</p> <p>Bank Reconciliation as at 18.05.2021 Parish Room Funds ONLY</p> <p>HSBC a/c *****24 £ 248.24</p> <p>HSBC a/c *****47 £ 41,689.72</p> <p>HSBC a/c *****39 £ 479.10</p> <p>Cambridge Building Society £ 36,241.00</p> <p>Co-Operative Bank £ 51,810.58</p> <p style="text-align: right;">Sub Total £ 130,468.64</p> <ol style="list-style-type: none"> The above 5 accounts all in the Parish council name are not showing in the parish councils cash book Minute (2021 – 019) A bank reconciliation for the period to 18th May 2021 concerning Sawley Parish Room Funds only was received and unanimously approved. This appears at “Appendix C”, below 	<p>It is my opinion; that these accounts must show in the Cash book and the AGAR</p> <p>The funds can be ring-fenced or earmarked for the purpose it was donated, and the annual interest shown as income and moved to the ring-fenced fund annually</p> <p>There needs to be a clear documentation trail proving what this fund is for & if any trust is in place</p> <p>Due to these accounts not appearing in the Cashbook and AGAR, I am required to answer No on page 4 A,E,H,I,J,K</p> <p>When the property was sold, and the funds received into accounts in the name of the parish council, it should have appeared as receipts in the accounts, which would have required an external audit.</p> <p>Advice needs to be urgently sought as to how to introduce the Parish funds to the Accounts due to the delay.</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 then 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	Yes		
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		No		See 1.1
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?	No	See 1.1

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		Precept to keep up with current expenditure Currently -2K
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	Recommend councillors consider reserves for ongoing costs
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				
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	Jan 22 Mar 22 not on web			Minute (2021 – 019) Role of council in Parish room fund needs urgent clarification See 1.1
4.2. Insurance cover appropriate and adequate?	Yes				
4.3. Does the Council have any cash investments?	Yes				See 1.1
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?	?	Parish Room			See 1.1 Status needs urgent clarification
4.6. If 'yes' at 8.6, have the charity accounts been audited separately in the year?	No	Parish Room			See 1.1 Parish room accounts need urgent review
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?					

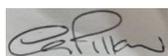
5. Payroll – Clerk and other employees			Yes / No	Reviewed In Year		Observations	Reviewed In Year
				Y / N	Date		
5.1. Does the Council operate its own payroll? Is it outsourced if not? If neither, how does the Council manage payroll			Yes	C/o York's Account Payroll Management			
5.2. PAYE/NI/RTI evidence? 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 March & May 18 missing July Sept Nov 19 Jan 22 Mar 22 not on web Minutes under wrong years on web	Need uploading to website for transparency Minutes under wrong years on web
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	2015/16 2016/17 2017/18 2018/19 2019/20 - 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	No		Need uploading to website for transparency
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 1st 10 working days of July	No		Need uploading to website for transparency

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?	Yes		Parish council - Grantley and Sawley Harrogate Borough Council	Link needs amending	
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	11523	14744
2. Annual precept	8440	8750
3. Total other receipts	4192	1127
4. Staff costs	3819	5168
5. Loan interest/capital repayments	0	0
6. Total other payments	5592	6468
7. Balances carried forward	14774	12985
8. Total cash and investments	14774	12985
9. Total fixed assets and long-term assets	24097	24097
10. Total borrowings	0	0

Internal audit carried out by	(signed)	(print)
		C Pillow
Date	27/05/2022	

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	

Annual Internal Audit Report 2021/22

Grantley, Sawley, Skelding & Eavestone

www.grantleyandsawleyparishcouncil.org.uk

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.			✓
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.			✓
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		NOT HELD	
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.			✓
I. Periodic bank account reconciliations were properly carried out during the year.			✓
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.			✓
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (if the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).			✓
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: 28/5/22
 Name of person who carried out the internal audit: CARIE PLOW
 Signature of person who carried out the internal audit: [Signature]
 Date: 28/5/22

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).
 **Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).