Elker Lodge Bookkeeping Services Internal Audit Service - Checklist for Year Ending 31 March 2023

Name of Council	Fountains Abbey	
No. of Councillors		
Name of Clerk:	David Taylor	
Precept	3524	
Transparency Band < 25,000	✓	
£25,000 -£200,000		
>£200,000		

AGAR certificate reference		Internal Audit action for expected controls	Y/N	Comments
A. Appropriate accounting records have been properly kept throughout the year. AND I. Periodic bank account reconciliations were properly carried out during the year.		Ensure the correct roll forward of the prior year cashbook balances to the new financial year	x	The bank rec, payments & receipt would improve if they were lnked, then errors would be highlighted. Figured C/f neef to match prev year Payments in minute shoule show amount approved by council
		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	x	
		Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members	✓	
		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.	✓	
		Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	na	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.		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.	na	
		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)	na	
		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 payments	✓	
		Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments providing for evidencing of these checks and payment authorisation	x	no minutes to check payment
		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	✓	
		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	na	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		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.	✓	Policies in place
		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	✓	Insurance 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	na	
		Review the effectiveness of internal control carried out by the authority	✓	Minutes show paymemt approval
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		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	✓	cannot see in minutes Budget indicated 3600 / precept received £ 3524 ? Why different
		Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances	✓	minute line 2021/2-102 should state the precept agreed
		Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances	✓	2021/2-105
		Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	na	
		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	✓	

H. Asset and investment registers were complete and accurate and properly maintained. This section/assurance should be extended to include loans to or by the authority	Tangible Fixed Assets:	Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets	✓	would be improved by adding purchase dates & Insurance values
		Physically verifying the existence and condition of high value, high risk assets may be appropriate	✓	
		Ideally, 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	✓	
		Additions and disposals records should allow tracking from the prior year to the current	✓	
		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	✓	
		Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority	✓	
	Fixed asset	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.	na	
	Borrowing and Lending:	Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	na	
		Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt	na	
		Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5	na	
		Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the DMO website)	na	
		Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt	na	
J. 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.		Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs 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. Consequently, IAs should	✓	small errors in payments
		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	na	
		Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end	✓	
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.		IAs should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000)	✓	
		the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline	✓	
		that it has been published, together with all required information on the Authority's website and noticeboard	x	
L. 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 any relevant transparency code requirements		This test applies only to those councils covered by the £25,000 External Audit exemption IAs should review the Authority's website ensuring that all required documentation is published in accordance with the Transparency Code.	x	
M. 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.		IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection.	x	no evidence on web
		IAs may also check whether councils have minuted the relevant dates at the same time as approving the AGAR	x	
N. The authority complied with the publication requirements for the prior year AGAR.		IAs should 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.	x	
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee		Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements	na	N/a
		that the council is the sole trustee on the Charity	na	
		Commission register - that the council is acting in accordance with the Trust deed	na	
		that the Charity meetings and accounts recorded separately from those of thee council	na	
		review the level and activity of the charity and where a risk based approach suggests such, review the Independent Examiners report	na	

E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.		Review "Aged debtor" listings to ensure appropriate follow up action is in place	✓	
		Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	na	
		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)	na	
		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	na	
		Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time	na	
		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	na	
		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	na	
F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for		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	na	
		Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc)	na	
		Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held	na	
		Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held	na	
		Ensure that VAT is identified wherever incurred and appropriate	na	
		Physically check the petty cash and other cash floats held	na	
		Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings	na	
G. 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 all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract	✓	
		Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	✓	
		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	✓	
		Ensure that appropriate tax codes are being applied to each employee	✓	
		Where free or paid for software is used, ensure that it is up to date.	✓	
		For the test sample of employees, ensure that tax is calculated appropriately	✓	
		Check the correct treatment of Pension contributions	✓	
		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	✓	
		Ensure that the correct employers' pension percentage contribution is being applied	✓	
		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.	✓	