

**Elker Lodge Bookkeeping Services Internal Audit Service**  
**Checklist for Year Ending 31 March 2021**

Band	Income or Expenditure (whichever is the higher)	Fee	Quoted
1	£0 to £5,000	£100	
2	£5,001 to £10,000	£125	
3	£10,001 - £25,000	£200	
4	£25,001 - £50,000	£250	
5	>£50,000	POA	£250

Councillors		Elected	DOI	Councillors	Elected	DOI
Chair	Gillian Shaw		YES	Gary Kay		YES
Vice Chair	Jenny Brooks		YES	John Maggs		YES
	Andrew Dykes		YES	David Swallow		YES
	Nick Ford		YES	Mick Thompson	Co-oped	YES
	Sarah Hardwell		YES	Liz Turnbull		YES
	Karen Jackson	Co-oped	NO			

Name of Council	Dunnington PC	Name of Clerk:	Julie Bone (JB)
No. of councillors	11	Name of RFO (if different)	
Precept			
Gross budgeted income	n/a		

Bookkeeping			Observations	Suggested advice to be given by EBS
1.1. Cash book maintained and up to date?	Yes	No	<p>2020/21 Cashbook tab Opening Balance</p> <p>Opening Balance of Cash book - cell D14:G14</p> <p>Total income G156</p> <p>Total Exp AV172</p> <p>Totals to Y/E Annual return viewed and agreed</p>	
1.2. Arithmetic, correct?	Yes	No	<p>Opening balanced discussed &amp; correct</p> <p>As at 31/3/2020</p> <p>Barclays 73731.31 (C/b o/b 70046.92)</p> <p>Barclays sav 2048.51</p> <p>Cambridge 20929.64</p> <p>Diff in Barclays o/b 3684.39</p> <p>Diff = 8 un presented chqs. (3804.39)</p> <p>= 1 unpresented receipt £80</p> <p>= 1 bank error in acc but not included</p> <p>As at 31/3/21</p> <p>Barclays 73860.74 (C/b o/b 68054.67)</p> <p>Barclays sav 2049.44</p> <p>Cambridge 21089.79</p> <p>Diff = 6 un presented chqs (5806.07)</p> <p>Suggest adding a clear box that shows a clear closing c/b sample</p> <p>I will also send a cashbook sample for Julie to mull over that may make her accounting easier!</p>	
1.3. Evidence of Internal Control and effectiveness of this reviewed	Yes	No	<p>JB informs me she is the RFO but all expenses are approved at Parish Council meetings by the Councillors.</p> <p>Minutes show the cash book, but no evidence to the discussion of individual payment approval</p>	<p>Moving forward - To add to the minutes the fact that payments are discussed and approved by the parish council at a meeting.</p> <p>JB has a hard copy list of Cheques which shows both initials of the signatories, for transparency for past payments requires uploading to show controls</p>
1.4. VAT evidence, recording and reclaimed?	Yes	No		

1.5. Payments in cashbook supported by invoices, authorised and minuted?	Yes	No	Invoices / evidence there to support payment	See 1.3
1.6. S137 separately recorded and within limits?	Yes	No	Added to Cashbook following discussion for transparency, but no S137 payments	
1.7. S137 expenditure of direct benefit to electorate?	Yes	No		
1.8. S137 expenditure minuted?	Yes	No		
1.9. Does the Council manage petty cash and is it accounted for properly and included in the AGAR figures	Yes	No	No Cash Held	

Due Process			Observations	Suggested advice to be given by EBS
2.1. Council correctly declared itself exempt from external audit?	Yes	No	Too large over 20,000 – n/a	
2.2. Standing Orders adopted to accord with NALC model July 2018	Yes	No	Dunnington Parish Council at its Meeting held on 10th July 2017 and revised and adopted at the meeting held on 12th March 2018 – Standing orders   Dunnington Parish Council	
2.3. Standing Orders reviewed in the year?	Yes	No	Cannot see a review in 2019 2020	Should be annually. To be discussed? reviewed? doing at annual parish council meeting.
2.4. Financial Regulations adopted? and up to date (NALC 2019)	Yes	No	13 February 2012 and reviewed and adopted at its meeting held on 12th March 2018	To be discussed? reviewed? doing at annual parish council meeting. I cannot see a review in 2019 or 2020 Should be annually.
2.5. FRs properly tailored to council?	Yes	No		See 2.4
2.6. Equal Opportunities policy adopted?	Yes	No	No evidence on website	To be discussed, a policy does need adopting. Recommend obtain template from YLCA
2.7. Adequate internal controls for payments? Including adequate arrangements for BACS payments, direct debits and standing orders?	Yes	No	See 1.3 council moving to online payments	See 1.3

2.8. List of member interests held?	Yes	No	On Parish Website – DOI for Councillor Karen Jackson not there  JB showed me she holds a copy – just needs uploading for transparency	This needs rectifying as a matter of urgency
2.9. Summons signed, and issued to councillors with agenda, with 3 clear days notice?	Yes	No	JB emails the Councillors 3 clear working days before the meeting example 6 <sup>th</sup> for the 12 <sup>th</sup> of April  under the Local Government Act 1972, there is a requirement that the person convening the meeting must 'summon' councillors to attend. This is a legal summons and is the reason why councillors have a duty to attend council meetings.	We discussed the need to add the Summons wording to appear on the Agenda, Legal act to summon councillors to the meeting
2.10. Notice of meeting displayed with 3 clear days' notice in a conspicuous place	Yes	No	JB showed on the email that she requests the Notice to go on the website & the notice boards	We discussed adding a sentence to request to ensure the notices are displayed timely to be give 3 clear working days
2.11. Purchasing authority defined in FRs?	Yes	No	Section 11 of Financial regulations	
2.12. Legal powers identified in minutes and/or cashbook?	Yes	No	Cannot see identification of powers, ? why	As Per FR 10.3 This needs rectifying as a matter of urgency for the 2021/22 Financial year to ensure all payments are within a power or the S137
2.13. Committee terms of reference exist and have been reviewed?	Yes	No	No evidence on website  JB informs me there are groups that discuss matters then return to the main council.  There are no terms of reference of minute of these group meetings	This needs rectifying as a matter of urgency to meet transparency.  There must be Terms of reference & minutes for any groups moving forward, which require uploading to the website to meet transparency.

3. Risk Management (Financial)			Observations	Suggested advice to be given by EBS
3.1. Does scan of minutes reveal any unusual activity?	Yes	No		<p>See 1.3 payments not listed.</p> <p>The council have a duty to published within 1 month of meeting as of 19/4 March and April not uploaded –</p> <p>Suggested uploading earlier even if watermarked Draft.</p> <p>The 'Actual' minutes from the minute book need to be published to meet transparency.</p>
3.2. Annual risk assessment carried out? (Financial risk assessment)	Yes	No	<p>Website copy dated 10/3/2012 rev 2017</p> <p>JB showed me risk register reviewed 8/6/20</p>	<p>New copy needs uploading.</p> <p>Should be reviewed minimum annually or a change of risk</p>
3.3. Insurance cover appropriate and adequate?	Yes	No	<p>Public Liability - 10,000000</p> <p>Offices Indemnity - 50,0000</p>	Are the councillors happy that this cover then for Liability
3.4. Evidence of annual insurance review?	Yes	No	9/3/2020	
3.5. Minutes initialled, each page identified and overall signed?	Yes	No	<p>There are monthly minutes on the website, covering the period prior to remote meetings, which are unsigned.</p> <p>The minutes on the website are not a accurate copy of the Minute book</p>	<p>This needs rectifying as a matter of urgency.</p> <p>See 3.2</p>
3.6. Regular reporting and minuting of bank balance?	Yes	No	Monthly Cash book in minutes shows bank balance	
3.7. Does the Council have any cash investments?	Yes	No		
3.8. If 'yes' at 3.8, has the Council considered the Government's investment guidance?	Yes	No		

4. Budget			Observations	Suggested advice to be given by EBS																										
4.1. Annual budget to support precept?	Yes	No																												
4.2. Budget against spend comparisons provided regularly to the Council with bank reconciliation?	Yes	No	Within Income & Expenditure to Budget spreadsheet																											
4.3. Has budget been discussed and adopted by council?	Yes	No	Item 8 Minuted 13/1/2020																											
4.4. Any reserves earmarked?	Yes	No	<div>Earmarked reserves</div> <table><tr><td>PFA – (Playing Field Association)</td><td>£20,000.00</td></tr><tr><td>Reading Room – council give</td><td>too £4,000.00</td></tr><tr><td>Scouts &amp; Guides</td><td>£4,500.00</td></tr><tr><td>Parish Council</td><td>£31,000.00</td></tr><tr><td>Cemetery (INC/EXP)</td><td>£19,000.00</td></tr><tr><td>Neighbourhood Plan (Grants)</td><td>£3,527.10</td></tr><tr><td>In Bloom - held for volunteers</td><td>£4,388.15</td></tr><tr><td>Hassacarr Nature Reserve – council give too</td><td>£1,720.40</td></tr><tr><td>Dunnington Through the Ages</td><td></td></tr><tr><td>Money from sales / reprint</td><td>£1,277.50</td></tr><tr><td>Total Earmarked</td><td>£89,413.15</td></tr><tr><td>General reserve</td><td>£1,780.75</td></tr><tr><td>Total</td><td>£91,193.90</td></tr></table>	PFA – (Playing Field Association)	£20,000.00	Reading Room – council give	too £4,000.00	Scouts & Guides	£4,500.00	Parish Council	£31,000.00	Cemetery (INC/EXP)	£19,000.00	Neighbourhood Plan (Grants)	£3,527.10	In Bloom - held for volunteers	£4,388.15	Hassacarr Nature Reserve – council give too	£1,720.40	Dunnington Through the Ages		Money from sales / reprint	£1,277.50	Total Earmarked	£89,413.15	General reserve	£1,780.75	Total	£91,193.90	<div>Jb informs me the 31000 is the accumulation of General reserve over the years, which has legitimate earmarking or ring-fencing.</div> <div>This needs rectifying as a matter of urgency &amp; the general reserve reinstating at it correct value of £32780.75</div> <div>JB is handling appropriately ongoing.</div> <div>Reading room – Review annual grant from council – is there a need to allow this to just grow, can the yearly £500 be used elsewhere.</div> <div>Hasscar exp in the years acc 68.00 – should have come out of ring fence money not the general reserve.</div> <div>In bloom funds – as held by the parish council – now belong to the PC, and any Exp must fall within the PC powers, See 2.12</div>
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4.5. Level of reserves within Proper Practice? ie between 3 and 12 months running costs	Yes	No		See 4.4 General Reserve needs urgent attention																										
4.6. Any unexplained variances from budget?	Yes	No	JB notes the unforeseen benefit of additional ward grant																											
4.7. Precept demand correctly minuted?	Yes	No	Item 8 Minuted 13/1/2020  The 10% increase was underpinned by a budget file produced by JB																											

5. Payroll – Clerk and other employees			Observations	Suggested advice to be given by EBS
5.1. Contract of employment for all members of staff	Yes	No	Copy held by chairman	
5.2. Does the Council operate its own payroll? Is it outsourced if not? If neither, how does the Council manage payroll	Yes	No	Does online HMRC basic PAYE tools	
5.3. PAYE/Ni/RTI evidence? ie, P32 records	Yes	No	Submission record	
5.4. Has council approved salary paid?	Yes	No	12.1 14/9/2020	
5.5. Salary accords with SCP (Salary Calculated Pay) agreed by Council	Yes	No	10 hours a week paid.	There need to be a review of the clerk hours to meet the needs of the Parish Council.  JB needs to audit herself and present to the Council the actual hours compared to paid hours.
5.6. Other payments reasonable and approved by council?	Yes	No	Cannot see any approval on minutes, JB showed Chq list	See 1.3
5.7. Wage slips and P60 evidence?	Yes	No		
5.8. Pension obligations met?	Yes	No	Nest JB opted out	

6. Asset Control			Observations	Suggested advice to be given by EBS
6.1. Does council keep a register of all material assets owned?	Yes	No	19/20 on parish website	
6.2. Is asset register up to date and accords with Proper Practices	Yes	No		
6.3. Value of individual assets included?	Yes	No	Undergate Allotment Shed/ Facilities etc why insured value 5637 exceeds actual value of 2600	Why?? Please can councillors explain
6.4. Inspected for risk and up to date inspection records exist	Yes	No	As 3.2	Suggest that it is added to minutes any walk arounds or checks – to show up to date monitoring
6.5. Record of deeds, articles and land register references available?	Yes	No	Some – can anymore be listed or where are the deeds kept	Suggest review, document if deed and where it is held or if no deed and needs urgent review.

7. Bank Reconciliations			Observations	Suggested advice to be given by EBS
7.1. Is there a bank reconciliation that takes in account each bank/investment account? Reconciliations approved by council (with bank stats accompanying) and minuted	Yes	No		
7.2. Reconciliation carried out on receipt of statement?	Yes	No		
7.3. Any unexplained balancing entries in any reconciliation?	Yes	No		Chase Bank re £40 banking error

8. Year End Procedures			Observations	Suggested advice to be given by EBS
8.1. Bank statements and ledger reconcile?	Yes	No		
<b>8.2. Opening Balance on Balance sheet – Reconciles to Previous closing balance.</b>	Yes	No		
8.3. Underlying financial trail from records to presented accounts? <b>Notes to late clearing prev yr Transactions</b>	Yes	No		
8.4. Where appropriate, debtors and creditors properly recorded?	Yes	No	No debtors or creditors	
8.5. Has the Council dealt with the AGAR in the correct way? All signed and declared correctly and legitimately? (Annual Governance Accountability Return)	Yes	No	Yes, seen previous years on website	

9. Miscellaneous			Observations	Suggested advice to be given by EBS
9.1. Have points raised at the last audit been addressed?	Yes	No	No internal audit on the website, no mention of internal audit recommendations in the minutes.	Statutory requirement for audits to go on website for transparency. This needs rectifying as a matter of urgency.  JB showed me the internal audit, no recommendations or advice offered Recommend adding that as a note to minutes.
9.2. Has the council adopted a Code of Conduct since July 2012? (to be replaced)	Yes	No	No Evidence on website New Policy launched by YLCA In April 21 should be adopted at the annual parish council meeting – JB says in process of adopting.	
9.3. Is eligibility for General Power of Competence properly evidenced? (if used)	Yes	No	Not adopted not eligible due lack of CiLCA ? not of any benefit, ? this may change	Review needs yearly



			Need CiLCA Certificate & May 2019 Election result- require 2/3 elected	
9.4. Are all electronic files backed up?	Yes	No	To USB Pen	Suggestion to consider cloud storage
9.5. Do arrangements for public inspection of council's records exist?	Yes	No	No Evidence of forms on website JB states it's in the new the news yearly. Last 16/7/20- 26/8/20  13/7/20 – minute 4.3	
9.6. Is the Council compliant with the Transparency Code for Smaller Authorities? (From 2015 – Minutes, Links, Audits )	Yes	No	Parish Website does not comply	Minute's need updating April 2015 – Dec 2019  Internal Audits missing  The following statement is incorrect on the website as this was superseded by the transparency code –  <i>Information</i>  <i>The Freedom of Information Act (Model Publication Scheme 2008) and the Accountability Code of the Localism Act requires all councils to make at least two years worth of full accounts available on the website. This information should be made available on or before 1st July each year. – Needs immediate attention!</i>  This needs rectifying as a matter of urgency & Website bringing up to date to comply with the transparency code.
9.7. Does the Council have a Privacy Policy (and on its website)	Yes	No	No Evidence of forms on website	This needs rectifying as a matter of urgency & Website bringing up to date to comply with the transparency code
9.8. Does the Council have a website or use another data platform?	Yes	No		
9.9. Has the Council done a data audit? Note date of review if given	Yes	No	No Evidence of forms on website JB indicated that there are reviews but un-minuted	This needs rectifying as a matter of urgency & Website bringing up to date to comply with the transparency code
9.10. Has the Council adopted a record management policy?	Yes	No	No Evidence of forms on website	YLCA template - Highly recommend adoption
9.11. Complaint's procedure in place?	Yes	No	Policy only on website	
9.12. Is the Council the trustee of a charity?	Yes	No	No Evidence of forms on website - Parish Council is a Trustee for the PFA	Fact needs evidencing on website

				The Legal capacity of a Parish council to be 'a trustee' in this capacity needs further legal clarification.
9.13. If 'yes' at 9.12, have the charity accounts been audited separately in the year?	Yes	No	Unknown They do their own accounts council sent copy	Council needs to ensure they are appropriately audited.  ? these account to be on council website as part of transparency – this also needs further legal clarification.
9.14. Has the Council any outstanding loans? PWLB	Yes	No	No Evidence of forms on website, JB confirms none	
9.15. If 'yes' at 9.14, has it budgeted for repayments in the year?	<del>Yes</del>	<del>No</del>	n/a	
9.16. Grievance and Disciplinary procedures adopted?	Yes	No	This policy was reviewed and adopted by Dunnington Parish Council at the Parish Council meeting held on 13th January 2019.	
9.17. GDPR Policy	Yes	No	Dunnington Parish Council is fully committed to compliance with the requirements of the Data Protection Act 1998 ("the Act"), which came into force on the 1st March 2000.	This needs rectifying as a matter of urgency to bring in line with the General Data Protection Regulations (GDPR 2018)
9.18. ICO licence	Yes	No	Certificate Seen	

Annual Governance and Accountability Return		
	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	81034	93025
2. Annual precept	18991	20890
3. Total other receipts	36849	47766
4. Staff costs	5691	5913
5. Loan interest/capital repayments	0	0
6. Total other payments	38158	64575
7. Balances carried forward	93025	91194
8. Total cash and investments	0	0
9. Total fixed assets and long term assets	158981	158981
10. Total borrowings	0	0

Internal audit carried out by	C Pillow <small>(signed)</small>	C Pillow <small>(print)</small>
Date	20/4/2021	

For auditor's use only	
Internal audit section of AGAR completed and signed	Yes
Report sent to council	
Copy of internal auditor's report sent to EBS with details of any advice/guidance needed to be given	Yes 20/04

Above please find the findings of the internal Audit.

The recommendations above fall into 2 basic categories

1. Amendment of the Cash book to show: -

a) the Powers used in expenditure.

b) add formulas to clearly show clear opening balances / clear closing balances / Clear receipts and payment in the groupings of the Annual Return.

2. Complying with Transparency – There are some items that need to be rectified as a matter of urgency