

INTERNAL AUDIT CHECKLIST

Council: Mudford Parish Council

Date: 22nd April 2025

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.	Starting AGAR figure verified as £100,068.	
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.	A sample of invoices was undertaken. No material differences were identified.	
Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members.	Bank reconciliations are presented as part of the financial information on a monthly basis. The financial information is included in the agenda and uploaded onto the website.	
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.	The AGAR has been verified and is correct.	
Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	The Council does not have an Investment Strategy/Policy in place as required.	Recommend that the Council develops an investment policy and adopts it as soon as practicable.

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	Contained in the Council's Financial Regulations and observed.	

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REVIEW	COMMENT	Action Required
are in line with the SOs and FRs which should be based on the latest version.		
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 have recently been reviewed. Limits match.	Please note that from 24 th February 2025, both above and below threshold notices about new UK procurements will be published on Find a Tender: Find a Tender
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.	Effective procedures are in place. Invoices are received for payment by the Clerk, reported to Council and duly authorised for 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. The claim for 2023/24 has been submitted, subject to two adjustments, and received (£8,349.53)	
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	The Council does not currently have a card in place.	

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	Risk Register is in place and has been updated. A copy is uploaded onto the Council's website.	

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		
REVIEW	COMMENT	Action Required
appropriate and comprehensive register of assessed risks, both regular and ad hoc.		
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 cover is in place and the levels are appropriate.	
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.	Appropriate arrangements are in place for monitoring the play areas. Annual inspections are carried out by the Play Inspection Company. Risks have been identified as low risk or very low risk. Regular checks are undertaken by Somerset Council and issues are monitored.	
Review the effectiveness of internal control carried out by the authority.	Internal controls are adequate for the size of Council.	Council may wish to consider developing a separate internal control policy to formalise the controls and procedures in place.

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.	The precept is formally considered by Full Council and minuted correctly. 2024/25: Minute 23/159 (£58,100) 2025/26: Minute 24/219 (£46,467)	
Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances.	Regular high level budget reports are presented on a monthly basis and signed off at the Full Council meeting. Variances are monitored.	

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REVIEW	COMMENT	Action Required
Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances.	The budgets are reviewed on a regular basis and at year end. Full explanations of variances have been developed.	
Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	Earmarked reserves are in place and updated and reviewed as and when required.	
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 .	External records cross referenced and verified.	

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.	No Aged Debtors have been identified.	
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)	<p>Council is responsible for Mudford Cemetery. The EROB form has been updated during the year. Copies of the following documentation is available for download relating to the cemetery:</p> <ul style="list-style-type: none"> • Exclusive Right of Burial application form • Internment form • Data Protection Privacy Notice • Cemetery Regulations • Table of fees • Memorial application form <p>Fees for interments and burials have been duly collected. Burial register is maintained.</p>	

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REVIEW	COMMENT	Action Required
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.	NO leases have been identified.	
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.	Effective controls are in place and are appropriate for the size of Council.	
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.	Precept was received on time and other income received regularly. Main sources of income are precept, cemetery and bank interest.	

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.	Not covered.

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.	Clerk contract is in place. New Clerk commenced employment in May 2024. The HR Committee was delegated authority (minute 23/214).	
Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	No Member allowances are paid.	

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REVIEW	COMMENT	Action Required
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.	Checked and verified. Payroll is undertaken by an outside contractor and payslips are produced monthly and signed off by a Councillor.	
Ensure that appropriate tax codes are being applied to each employee.	Tax code has been properly applied to the current Clerk.	
Where free or paid for software is used, ensure that it is up to date.	Payroll is outsourced to an accounting firm.	
Check the correct treatment of Pension contributions	The previous Clerk was enrolled in the Nest Pension scheme. The current Clerk is not.	
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	Level of pay is outside the scope for National Insurance.	

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 of VAT and removing any disposed of or no longer serviceable assets.	Formal asset register is in place This has been updated and uploaded onto the website.	
Physically verifying the existence and condition of high value, high risk assets may be appropriate.	Not covered as the audit is a remote audit.	
The register should identify for each asset the purchase cost and, if practicable, the replacement/insured cost, the latter being	The Asset Register is comprehensive and includes insurance and replacement costs.	

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REVIEW	COMMENT	Action Required
updated annually and used to assist in forward planning for asset replacement.	These have been cross referenced against the insurance schedule.	
Additions and disposals records should allow tracking from the prior year to the current.	Tracking is in place and register updated on an annual basis.	
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.	Correct asset figure has been included on the AGAR.	
Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority.	Adequate insurance is in place. Noted that action has been taken following the previous year's audit which identified a shortfall on insurance coverage for street furniture.	
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 investment is in place.	
Borrowing & Lending:		
Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	Council currently has no outstanding 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.	Verified. All the figures have been checked.	

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
Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end.	Council has adopted the receipts and payments accounting arrangements which is suitable for this size of Council.	

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 has been reviewed and all required documentation has been published.	

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 30 working day period when the Authority's records are available for public inspection.	Examined and uploaded version has correct number of days.	
Check whether council has minuted the relevant dates at the same time as approving the AGAR	Minute outlining the dates of the public notice. Minute 24/16	

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.	Review undertaken. See actions required.	There is no AGAR uploaded onto the website for financial year 2023/24. Please upload the final AGAR.

The authority complied with the publication requirements for the prior year AGAR.		
REVIEW	COMMENT	Action Required
		Council only has 4 years of AGAR financial information uploaded onto its website. 2024/25 should not be included in the 5 year requirement. Recommend that Council uploads AGAR for 2019/20 financial year

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 Trustee.	