

# Internal Audit

---

## UPPINGHAM Town Council

Year Ending 31 March

2017

Internal Auditor: Richard Willcocks

## Summary Checklist Report

This internal audit report is based upon the National Association of Local Councils (NALC) recommended checklist, introduced in 2016, in conjunction with the Practitioners' Guide to Governance and Accountability in Local Authorities.

Year Ending: 31 March 2017

### **BASIS OF REPORT**

This internal audit report is based upon the National Association of Local Councils (NALC) recommended check-list, introduced in 2016, in conjunction with the Practitioners' Guide to Governance and Accountability in Local Authorities.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined in paragraph 1 above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

***NB: It would be incorrect to view internal audit as the detailed inspection of all records and transactions of the Council in order to detect error or fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be a day-to-day function of the staff and councilors and not left for internal audit. (Source: Governance and Accountability for Local Councils-A Practitioners' Guide-2014).***

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

<b>Name of Council</b>	<b>UPPINGHAM Town Council</b>	<b>Name of Clerk to the Council</b>	<b>Neil Wedge</b>
<b>No. Of Councillors</b>	<b>15</b>	<b>Name of RFO (if different)</b>	
<b>Quorum</b>	<b>5</b>	<b>Precept (for audit year)</b>	<b>£98,079 excl. Council Tax Support Grant (CTSG)</b>
<b>Electorate</b> <i>(based on LRALC sub invoice)</i>	<b>2,300 (approx.)</b>	<b>Gross budgeted income</b>	<b>£141,579</b>

### KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW.

	Adopted	Last Review						Next Review		Annual Review?	Recommendations
		Date	Prepared By	Approved By	Key Changes	On Website	Copy Taken	Due	Key Changes Proposed		
<b>1</b>	<b>Governance</b>										
1.1	Standing Orders	√	05/08/16	Clerk	②	④	√	√	24/05/17		√ ②
1.2	Financial Regulations	√	Nov-14	Clerk	②	④	√	√	24/05/17		√ ②
1.3	Committee Terms of Reference ⑤	√	11/04/17	Clerk	②	Reviewed as part of Standing Orders	√		24/05/17		√ ②
1.4	Risk Assessment (Financial & Management)	√	05/10/16	Clerk	②	Initial policy	√	√	24/05/17		√ ②
1.5	Statement of Internal Control (Financial Oversight Statement)	√	02/02/15	Clerk	②		√	√	24/05/17		√ ②
1.6	Complaints Procedure	√	26/01/16	Clerk	②		√	√	24/05/17		√ ②
1.7	Code of Conduct	√	05/08/16	Clerk	②	Included in Standing Orders	√	√	24/05/17		√ ②
1.8	Equal Opportunities	×					×			HR Committee to consider	TBC
1.9	Reserves Policy	√	05/04/17	Clerk	②	Initial policy	√	√	24/05/17		√ ②
1.10	Model Publication Scheme (Fol)	√	03/05/17	Clerk	②		√	√	③		× ③

① = Annual Meeting.  
 ② = Council meeting  
 ③ = reviewed as and when necessary e.g. legislative requirement.  
 ④ = Actions pending from Governance Health Check

⑤ = Committees:  
 Finance & General Purposes    Amenities    Planning    Staffing    Neighbourhood Plan

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

1. Book-Keeping				Comments & Recommendations
1.1	Ledger maintained & up to date?	Yes	<del>No</del>	The accounts are balanced monthly and are up to date to the financial year-end.
1.2	Arithmetic correct?	Yes	<del>No</del>	Checks of the computerised accounting system (RBS Omega, implemented 01/04/15) confirmed that the cashbook and other accounts arithmetic were correct.
1.3	Evidence of internal control? <i>(Based on S1 Governance statement of Annual Return + measures to detect and prevent fraud e.g. by employees)</i>	Yes	<del>No</del>	<ul style="list-style-type: none"> <li>• Internal audit</li> <li>• Risk assessment policy</li> <li>• Financial Oversight document</li> <li>• Budgetary control and monitoring</li> <li>• Bank reconciliation review by Council</li> <li>• Application of the 2-signature rule for invoice authorisation</li> </ul>
1.4	VAT evidence, recording and reclaimed?	Yes	<del>No</del>	The Council can recover VAT through the Local Authorities and Similar Bodies Scheme. A claim for repayment of VAT is made quarterly to HMRC. The last VAT claim made was for the March 2017 quarter. Testing indicated that VAT on income and expenditure had been correctly applied. It is known when the last VAT inspection, if any, was made.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	<del>No</del>	See 'Transaction Spot Check' section at the end of this report.
1.6	Is S137 expenditure separately recorded and within statutory limits?	Yes	<del>No</del>	A separate S137 account was maintained in the accounts system to the end of October 2016, following which the Power of Competency was implemented.
1.7	Is S137 expenditure of direct benefit to the electorate?	Yes	<del>No</del>	Nearly all the S137 (or equivalent) expenditure incurred was for allowable grants to support community-based activities/projects.

2. Due Process				Comments & Recommendations
2.1	Standing Orders adopted since 2010?	Yes	<del>No</del>	Standing Orders have been adopted. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above.
2.2	Standing Orders reviewed at Annual Meeting?	Yes	<del>No</del>	Standing Orders are reviewed annually. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above.
2.3	Financial Regulations adopted and reviewed annually?	Yes	<del>No</del>	Financial Regulations have been adopted. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above.
2.4	Financial Regulations properly tailored to Council?	Yes	<del>No</del>	The current Financial Regulations are based on the current NALC model Financial Regulations and adapted to suit the specific needs of the Council. It is noted that the Financial Regulations include specific provision for internet banking, but which is not currently being considered for implementation.
2.5	Equal Opportunities policy adopted?	Yes	No	The Council does not currently have an equal Opportunities Policy in place.

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

2. Due Process				Comments & Recommendations
				<b><u>RECOMENDATION</u></b> <b>That an Equal Opportunities policy is prepared, reviewed and adopted.</b>
2.6	RFO appointed?	Yes	No	Neil Wedge was appointed as Clerk to the Council on 05/01/15, which included responsibility as the RFO. The Clerk has yet to receive a job description, <b>but it is understood that the HR consultant will be actioning this.</b> The Clerk is currently solely responsible for all the financial and administrative functions of the Council and as such, there is no cover when the Clerk is absent e.g. holidays.
				<b><u>RECOMENDATION</u></b> <b>That the Council considers providing dedicated support to the Clerk.</b>
2.7	List of member's interests held?	Yes	No	The Clerk maintains and updates the list of member's interests as required. The list is published on the parish council website and is also provided to Rutland County Council.
2.8	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	No	At least 7 days prior to the Council meeting the clerk prepares and signs the Council meeting agenda, which lists matters for discussion and is posted on the Council's website, the Town Council Office notice board and the library notice board.
2.9	Purchase orders raised for all expenditure?	Yes	No	Financial Regulations determine how commitment to purchase is made (see 2.10). Documentation e.g. letter, email, purchase order or equivalent purchase confirmation, is raised for all expenditure, where possible.
2.10	Purchasing authority defined in Financial Regulations?	Yes	No	Section 4 of the Financial Regulations define the Council's purchasing authority, which is primarily referenced to the approved budget. In addition, the Financial Regulations (4.5) state that in cases of emergency the Clerk may incur expenditure on behalf of the Council up to a limit of £1,000, which the Clerk must then report to the chairman as soon as possible and the Council as soon as possible thereafter. Current custom and practice is for the Clerk to obtain 3 written quotes, where possible, for expenditure over £1,000. Section 11.1b of the Financial regulations stipulate that 3 tenders be invited for contracts exceeding £60,000.
				<b><u>RECOMMENDATION:</u></b> <b>That the Financial Regulations are amended so that the level at which the Council will seek competitive tenders is reduced from £60,000 to £25,000, to comply with current legislation. See: NALC Legal Topic Note LTN87-January 2016-Procurement</b>
2.11	Legal powers identified in minutes and/or ledger? <i>(need to ensure that for significant spend, the Clerk has identified the applicable power)</i>	Yes	No	Although no longer required to do so under the Power of Competency, the Clerk will continue to identify to the Council the applicable legal power where there is any uncertainty on matters being considered.

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

2. Due Process				Comments & Recommendations
2.12	Committee terms of reference exist and have been reviewed?	Yes	<del>No</del>	Terms of reference have been adopted for all for all current committees. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above.
3. Risk Management				Comments & Recommendations
3.1	Does a scan of the minutes identify any unusual financial activity?	Yes	No	Minutes are prepared for all meetings of the Council and its committees i.e. <ul style="list-style-type: none"> <li>• Full Council; meets monthly.</li> <li>• Finance &amp; General Purposes Committee; normally meets monthly.</li> <li>• Amenities Committee; normally meets monthly.</li> <li>• Planning Committee; normally meets monthly.</li> <li>• Staffing Committee; meets as required.</li> <li>• Neighbourhood Plan; normally meets quarterly.</li> </ul> NB: The Council's current Operating Structure document (effective 18/05/16) lists the councillors assigned to each committee. Minutes are uploaded onto the Council's website in draft and issued to the meeting chair and councillors for review. Any minor amendments can then be made and the minutes re-issued prior to the next meeting, at which the minutes are then signed by the meeting chair. The draft minutes remain on the website unless any subsequent changes are made, as above. No unusual financial activity was found in the minutes reviewed. Minutes for the Council have been uploaded onto the website up to date.
3.2	Is an annual risk assessment carried out?	Yes	<del>No</del>	The Council has adopted a Financial and Management Risk Assessment policy document, covering all main areas of risk. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above.
3.3	Is Insurance cover appropriate and adequate?	Yes	<del>No</del>	The insurance is renewed annually on 1 <sup>st</sup> September. Insurance cover is currently placed direct with Zurich Insurance for all insurances. A 3-year contract with Zurich Insurance was taken out in 2016, which expires on 31/08/18.
3.4	Evidence of annual insurance review?	Yes	<del>No</del>	The appointment of Zurich Insurance, as the Council's insurer, was the result of the Clerk undertaking a competitive review prior to the expiry of the previous insurance contract, to obtain best value.
3.5	Internal financial controls documented and evidenced?	Yes	<del>No</del>	The Council has adopted a Financial Oversight plan, detailing the Council's key internal controls. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above. Effective and acceptable financial control procedures are operative as stipulated in the Financial Regulations. The procedure manual for the RBS Omega accounts system is adhered to.

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

2. Due Process				Comments & Recommendations
3.6	Minutes initialled, each page identified and overall signed?	Yes	Ne	Minutes are initialled by the chair of the following meeting. Each page of the minutes is numbered, and each minute is identifiable by a unique sequential minute number. All minutes are signed off by the meeting chair and dated.
3.7	Regular reporting and minuting of bank balances?	Yes	Ne	As per the Financial Oversight policy document, the Chair of the Finance & General Purposes Committee checks and signs off the bank reconciliations on a quarterly basis.
3.8	S137 expenditure minuted?	Yes	Ne	S137 expenditure was minuted separately up until the adoption of the Power of Competency in November 2016, following which there is no longer a requirement to minute equivalent S137 expenditure.'

4. Budget (for financial year being audited)				Comments & Recommendations
4.1	Annual budget prepared to support precept?	Yes	Ne	A detailed budget is prepared annually by the Clerk in support of the precept.
4.2	Has budget been discussed and adopted by Council?	Yes	Ne	The budget is reviewed and approved by the Council. The 2016-17 budget was approved by the Council in January 2016.
4.3	Any reserves earmarked?	Yes	Ne	Earmarked reserves totalling £95,869 were listed in the balance sheet at the financial year-end, together with free reserves (General Fund) of £43,337. which represents 44% of the precept of £98,079. A Reserves Policy has been adopted by the Council. (See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above), which states that ' <i>the current level of General Reserves to be held by the council is targeted to be a minimum of 70-80% of the annual precept figure</i> '.
4.4	Any unexplained variances from budget?	Yes	Ne	All explained as per the Annual Return and the regular financial reports to Council.
4.5	Precept demand correctly minuted?	Yes	Ne	The 2016-17 precept demand approved by the Council (minute no. 241/15) was for £105,393 net of the Council Tax Support Grant (CTSG) of £7,313. <i>However, because of an administrative error, the CTSG grant was deducted from this net amount, meaning a difference of £7,313 from the precept demand minuted to that submitted to and paid by Rutland CC.</i>

5. Payroll - Clerk				Comments & Recommendations
5.1	Contract of employment?	Yes	Ne	Neil Wedge was appointed as Clerk to the Council on 05/01/15, and provided with a contract of employment on appointment, signed by the employee and by the Mayor of the Council. The contract of employment is based on the NALC guidelines.
5.2	Tax code issued/outsourced payroll?	Yes	Ne	The Clerk is remunerated through the payroll and has an applicable tax code. The Council's payroll is outsourced to Rutland County Council.

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

5. Payroll - Clerk				Comments & Recommendations
5.3	PAYE/NI evidence?	Yes	No	The payroll confirmed that the Clerk's salary was subject to PAYE and NI.
5.4	Has Council approved the salary paid?	Yes	No	The Clerk's monthly salary payment is included on the payment list presented to Council for approval.
5.5	Other payments reasonable and approved by Council?	Yes	No	<p>Any business mileage and out of pocket expenses incurred are reimbursed to relevant employees, primarily the Clerk.</p> <p>Expenses are claimed monthly on an expense claim form, which is approved by a member of Council.</p> <p>Any additional hours undertaken are submitted on a claim form for approval by the Council and then paid in the form of time off in lieu (TOIL).</p> <p>All additional payments are included on the monthly expenditure payment listing presented to Council for approval.</p> <p>Business mileage is reimbursed at the current HMRC tax-free limit of 45p per mile.</p> <p>The only pension provision the currently makes is a direct 15% contribution to the Clerk's own SIPP.</p> <p>The Council's pension's auto enrolment date is 01/04/17.</p> <p>Bulley Davey has been appointed to assist the Council in ensuring compliance with the pension's auto enrolment process and to liaise with the outsourced payroll provider.</p>

6. Payroll - Other				Comments & Recommendations
6.1	Contracts of employment?	Yes	No	<p>All other Council employees are issued at the commencement of employment with a contract of employment signed by the Clerk and the employee.</p> <p>New employees are normally reviewed after a 6-month probationary period.</p> <p>All other employees in post at the financial year-end have an up to date contract of employment.</p> <p>In addition to the Clerk, the other Council employees in post at the end of the financial year were:</p> <ul style="list-style-type: none"> <li>• Administrator/Caretaker</li> <li>• Park Attendant</li> <li>• Town Hall Caretaker</li> </ul> <p>All employees are employed on a permanent basis, work to set hours per week and are paid monthly at an agreed rate per hour, based on fixed weekly hours.</p>
6.2	Does the Council have employers' liability cover?	Yes	No	The Council has employer's liability cover of £10M.
6.3	Tax code(s) issued?	Yes	No	The payroll confirmed that all employee salaries were subject to PAYE and NI.
6.4	Minimum Wage paid?	Yes	No	All staff are paid above the applicable minimum or living wage.



## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

6. Payroll - Other				Comments & Recommendations
6.5	Disciplinary, Grievance and Complaints procedures in place?	Yes	<del>No</del>	Disciplinary and grievance procedures are included in the employees' contract of employment. A Complaints Procedure has been adopted by the Council. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above.
7. Asset Control				Comments & Recommendations
7.1	Does the Council keep a register of all material assets owned?	Yes	<del>No</del>	The Clerk is responsible for maintaining the asset register in a spreadsheet.
7.2	Is the asset register up to date?	Yes	<del>No</del>	The asset register was up to date as at the financial year-end.
7.3	Value of individual assets included? <i>(e.g., a value applied and included for legacy assets?)</i>	Yes	<del>No</del>	An item will be entered onto the asset register based on materiality, rather than any minimum value being applied. The asset register includes legacy assets with a proxy value.
7.4	Inspected for risk and health and safety?	Yes	<del>No</del>	Play equipment checked annually by ROSPA accredited inspectors. <b>RECOMMENDATION</b> <b>That additional inspections are undertaken to improve risk management e.g.:</b> <ul style="list-style-type: none"> <li>• <b>Weekly visual inspection of play equipment and properties by Council staff.</b></li> <li>• <b>Regular inspection of the Council's assets by the councilors.</b></li> </ul>
8. Bank Reconciliation				Comments & Recommendations
8.1	Is there a bank reconciliation for each account?	Yes	<del>No</del>	Reconciliations are undertaken for the bank accounts held by the Council: <ul style="list-style-type: none"> <li>• <u>Lloyds Bank Current account</u>; bank statements received monthly. The main account for cheque DD's and salary payments.</li> <li>• <u>Lloyds Bank Allotments account</u>; bank statements received monthly. An interest-bearing account for receipts from allotment holders.</li> <li>• <u>HSBC Bank Current account</u>; bank statements received monthly.</li> <li>• <u>Nat West Bank Current account</u>; bank statements received upon request.</li> <li>• <u>CCLA Deposit Fund</u>; Used for longer term saving. A statement received monthly.</li> </ul> Year-end bank statements or equivalent have been received for all the above accounts at the financial year-end.
8.2	Reconciliation carried out on receipt of statement?	Yes	<del>No</del>	All bank accounts are reconciled individually on receipt of the statement.
8.3	Any unexplained balancing entries in any reconciliation?	Yes	<del>No</del>	All balancing entries fully explained.

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

8. Bank Reconciliation				Comments & Recommendations
8.4	Is the bank mandate up to date?	Yes	<del>No</del>	<p>The bank mandates currently maintained up to date are the Lloyds Bank accounts and the CCLA Deposit Fund, which are updated and approved by the Council as and when required e.g. a change of Councillor. These are the accounts through which the day to day transactions and savings transfers are made.</p> <p>The HSBC and Nat West bank accounts listed above, are each maintained with a maximum £75k balance to minimise the risk of a potential bank failure, with the resulting loss of funds. Any balance over £75k is transferred to the main Lloyds Bank current account.</p> <p>The Lloyd's bank mandate nominates 4 Council members plus the Clerk as signatories. Any 3 of the 5 nominated signatories are required to sign cheques.</p> <p>The Clerk is normally the 3<sup>rd</sup> cheque signatory and is also recognised by the bank for administrative and communication purposes.</p> <p>The CCLA Deposit Fund requires 3 councillors plus the Clerk to be nominated as signatories on the mandate, with any 3 to approve a transaction.</p> <p>The Council signatories on the Lloyds Bank and the CCLA Deposit Fund bank mandates are still all Council members at the end of the current financial year.</p> <p><b>RECOMMENDATION</b></p> <p><b>That the Council considers whether the Allotment, HSBC and Nat West current accounts should be closed, thereby retaining a current account for day-to-day transactions and the CCLA Deposit Fund for longer term saving. The Council needs to assess the risk of the Financial Services Compensation Scheme being activated against the administrative, cost and time benefits obtained from operating fewer bank accounts e.g. fewer banks mandates to maintain.</b></p>

9. Year-End Procedures				Comments & Recommendations
9.1	Year-end accounts prepared on correct accounting basis?	Yes	<del>No</del>	Year-end accounts are prepared on an Income and Expenditure basis.
9.2	Bank statements and ledger reconcile?	Yes	<del>No</del>	A full reconciliation of each bank statement to the corresponding account in the ledger as at 31 <sup>st</sup> March was prepared and reviewed and was approved by the Council on 24/05/17.
9.3	Underlying financial trail from records to presented accounts?	Yes	<del>No</del>	The RBS Omega accounting system provides a satisfactory audit trail to the underlying financial records.
9.4	Where applicable, debtors and creditors properly recorded?	Yes	<del>No</del>	<p>A dedicated purchase ledger is not currently operative within the RBS Omega accounting system.</p> <p>Default payment terms for both sales and purchases are 30 days (max).</p> <p>There were no unexplained overdue debtors or creditors at the financial year-end.</p>

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

9. Year-End Procedures				Comments & Recommendations
9.5	Has Council agreed, signed and minuted sections 1 & 2 of the Annual Return? <i>(i.e. minuted in the correct order?)</i>	Yes	No	Section 1-Annual Governance Statement, signed by the Council chair on 24/05/17. Section 2-Accounting Statements, signed by the Council chair on 24/05/17.

10. Miscellaneous				Comments & Recommendations	
10.1	<i>Have points raised at the last internal audit been addressed?</i>		Yes	No	None brought forward from the 2015-16 internal audit undertaken by Foxwise Accountancy.
	<i>Ref</i>	<i>Action Recommended</i>			
10.2	Has the Council adopted a Code of Conduct since July 2012?		Yes	No	The Council has adopted a Code of Conduct, which is included in Standing Orders. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above.
10.3	Is eligibility for the General Power of Competence properly evidenced?		Yes	No	Eligibility for the Power of Competency is evidenced by: <ul style="list-style-type: none"> <li>The Clerk is SiLCA qualified.</li> <li>Required training undertaken.</li> <li>A minimum of two thirds of the Council seats were contested at the last election. (all 15 seats were contested at the May 2015 local elections.)</li> </ul>
10.4	Are all electronic files backed up?		Yes	No	Electronic files are backed up weekly to a separate hard disk drive and stored in a fireproof safe in the Council offices.  <b>RECOMMENDATION:</b> <b>That the Council considers a continuous Cloud based back up in lieu of, or in addition to, the back up to the separate hard disk drive.</b>
10.5	Do arrangements for the public inspection of records exist?		Yes	No	Key documents of Council are maintained on the Council's website. The Model Publication scheme has been adopted. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW' above. Notice of audit displayed as per external audit instructions. Outside of this period, inspection of records can be undertaken by prior appointment.

11. Charities				Comments & Recommendations	
11.1	Charities reported and accounted separately?		Yes	No	The Council does not currently act as trustee for any charity and is not responsible for managing any trust funds or assets. The Clerk is the administrator for the Poor's Land at Ashton charity (reg. no. 219566), which is a charity totally separate from the Council.
11.2	Have the Charity accounts been separately audited, or independently inspected?		Yes	No	N/A

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

11. Charities				Comments & Recommendations
11.3	Have the Charity accounts and Annual Return been filed within the legal time limits?	Yes	No	N/A

12. Burial Authorities				Comments & Recommendations
12.1	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	Yes	No	Effective controls are in place to ensure that interment fees received reconcile to the internments recorded and permits issued.
12.2	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes	No	Fees levied are as per the Council's approved scale of fees, which is reviewed annually and posted on the Council's website.
12.3	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	Yes	No	Statutory books kept in a fireproof safe in the Council offices. Work is pending to create a spreadsheet record.
12.4	Do all internment of ashes have a certificate of cremation?	Yes	No	A certificate of interment is requested in all cases from the undertaker or the family.
12.5	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?	Yes	No	The Institute of Cemetery and Crematoria Management (ICCM) guidance and templates are to be applied by the Clerk, following training.

13. Income Controls				Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	No	The Clerk is responsible for raising income invoices and issuing receipts when requested. Cash and cheques are banked on a regular basis. Outside of the precept most of the income received is for cemetery fees, hire of the town hall, allotment rents and market stall rents. Income invoices are prepared on a spreadsheet and then input into the accounts system. Copies are retained for a minimum of 3 years. Invoices and receipts reviewed were correctly authorised.
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	No	The precept and CTSG were received in one payment and recorded in the accounts: April 2015: £105,393. This recorded amount agreed to Rutland County Council's notification, <b>but see section 4.5 above.</b>
13.3	Are security controls over cash adequate and effective?	Yes	No	The Clerk is responsible for receiving and balancing all cash and cheques received. The Clerk is responsible for reconciling and authorising all cash and cheques received. Cash and cheques received are kept in a fireproof safe in the Council offices and banked on a regular basis.

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

14. Petty Cash				Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	Yes	<del>No</del>	<p>One petty cash float is operated by the Council, with a maximum float held of £150 and is used for small value expenditure transactions.</p> <p>The Clerk is the designated, approved float holder.</p> <p>Approved petty cash requisitions and VAT receipts are required for all petty cash expenditure and are authorised by the Clerk.</p> <p>The cash float is kept in a fireproof safe in the Council offices.</p>
14.2	Is petty cash expenditure reported to Council?	Yes	<del>No</del>	<p>Petty cash expenditure is presented to a Council meeting for approval, as and when petty cash reimbursement is required.</p> <p>Petty cash expenditure appears as a separate item on the Cheque Listing report.</p> <p>The petty cash reimbursement cheque is signed by 2 approved signatories.</p>
14.3	Is petty cash reimbursement carried out regularly?	Yes	<del>No</del>	<p>The petty cash float is reconciled and reimbursed (topped up) as and when required to the £150 limit.</p>

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

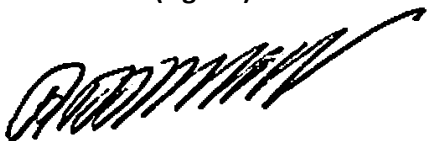
Transaction Spot Check								
Check No.	1	2	3	4	5	6	7	8
<b>Transaction type</b>	Purchase invoice	Purchase invoice	Purchase invoice	Purchase invoice	Expenses	Payroll	Sales invoice	Remittance
<b>Supplier/Customer</b>	Paul Sheehan	Cory Environmental	Uppingham Bowls Club	Biffa	Clerk	Colin Williams	Arnold Wills & Co	Rutland CC
<b>Invoice/Transaction No.</b>	433	RUT3687	Applic 19/09/16	RUT076	-	Nov-16 pay	293	501265
<b>Invoice/Transaction Date</b>	05/05/16	31/07/16	19/10/16	07/02/17	12/10/16	24/11/16	29/11/16	22/04/16
<b>Goods/Services Supplied</b>	Skate park-2 <sup>nd</sup> instalment	Grounds maintenance	Grant aid	Waste clearance-Beast Hill	Expenses 20/04-12/10/16	Monthly pay	6*Xmas trees	Precept payment
<b>Ledger Date</b>	05/05/16	31/07/16	19/10/16	07/02/17	12/10/16	28/11/16	29/11/16	26/04/17
<b>Ledger Reference</b>	433	RUT3687	Applic 19/09/16	RUT076	-	Oct-16 pay	293A	501265
<b>Item/Budget Heading</b>							140	
<b>Payment Method</b>	cheque	cheque	cheque	cheque	cheque	Bank trans	Bank payment	BACS
<b>Ref/Cheque No.</b>	853	899	948	1031	945	-		-
<b>Authorised By</b>	Council	Council	Council	Council	Council	Council	Clerk	Council
<b>Order Minute Ref/Signed</b>	-	-	-	-	-	-	-	-
<b>Delivery Evidence</b>	contract	Visual check	Report on spend	Visual check	receipts	Employee paid	Visual check	Funds in bank
<b>Payment Minute Ref</b>	831/6	119/16	153/16	238/16	175/16	191/16	Budget statement	Budget statement
<b>Insurance Value</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Payments Date</b>	12/05/16	16/08/16	20/10/16	15/02/17	20/10/16	28/11/16	12/12/16	26/04/16
<b>Payment Value</b>	£6676.56	£927.90	£1000.00	£604.80	£212.99	£222.50	£510.00	£105393.00
<b>Bank Account Paid From/In</b>	Lloyds Current a/c	Lloyds Current a/c	Lloyds Current a/c	Lloyds Current a/c	Lloyds Current a/c	Lloyds Current a/c	Lloyds Current a/c	Lloyds Current a/c
<b>Statement No.</b>	25	33	Online 05/12/16	68	465	50	53	22
<b>Statement Value</b>	£6676.56	£927.90	£1000.00	£604.80	£212.99	£3474.36*	£510.00	£105393.0
<b>Timely Payment</b>	√	√	√	√	√	√	√	√
<b>VAT Recorded</b>	£1112.76	£154.65	£0 (VAT exempt)	£100.80	£0	£0	£0 (VAT exempt)	£0 (VAT exempt)
<b>S137 Recorded in Ledger</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>S137 Minuted</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Notes</b>						Paid by Rutland CC-Total Nov salary chq 968		
<b>Pass</b>	√	√	√	√	√	√	√	√

## Internal Audit Summary Checklist Report for UPPINGHAM Town Council

Year Ending: 31 March 2017

<b>Any further comments</b>
<p>From experience, it is expected that when undertaking an initial internal audit, several recommendations will need to be made. Such recommendations are then presented to the Council with the aim of improving the existing level of internal control, rather than implying that any inherent and significant weaknesses exist. Uppingham Town Council fits into this category i.e. these are Opportunities for Improvement (OFI) recommendations, which primarily relate to policies, procedures and documentation, rather than financial matters. Overall, the accounts and other records of the Council are maintained to a very satisfactory level and this report reflects positively on the quality and standard of work of the Town Clerk.</p> <p>In addition to this report and its recommendations, the Council undertook a Governance Health Check in 2016. This report made a significant number of recommendations relating to the governance of the Council. The effect of implementing both sets of recommendations will be a Council with exceptionally strong governance policies, procedures and working practices.</p> <p>The overall internal audit assurance rating is: <b>GOOD</b></p>

<b>Acknowledgments</b>
<p>The help and co-operation of Neil Wedge, Town Clerk, is much appreciated by the internal auditor.</p>

<b>Internal audit carried out by</b>	(signed)  	(print)  <b>R F Willcocks</b>
<b>Audit type (delete as appropriate)</b>	<del>INTERIM</del> ANNUAL	
<b>Date</b>	05/06/2017	

<b>For internal auditor's use only</b>	
<b>Section 4 of Annual Return form completed and signed</b>	18/05/2017
<b>Internal audit report/letter sent to Council</b>	05/06/2017

<b>ANNUAL RETURN</b>	<b>Year Ending 31March 2016</b>	<b>Year Ending 31March 2017</b>
Balances brought forward	£ 119,659 ①	£ 160,726
Annual precept	£ 85,076	£ 98,079
Total other receipts	£ 142,019	£ 53,717
Staff costs	£ 41,887	£ 45,056
Loan interest/capital repayments	£ 9,719	£ 9,719
Total other payments	£ 134,422	£ 118,541
Balances carried forward	£ 160,726	£ 139,206
Total cash and investments	£ 178,463	£ 155,194
Total fixed assets and long-term assets	£ 776,784 ①	£ 867,732
Total borrowings	£ 99,141 ①	£ 93,694
Section 4 Annual return figures completed and cross-referenced.		18/05/2017