

Humberston Parish Council

Internal Audit Checklist

Name of Council	Humberston	Name of Clerk	Kathy Peers
No of Councillors	6 out of 12	Name of RFO (if not Clerk)	
Quorum	4	Precept	98000
Electorate	5373	Gross budgeted income	£35,000

1. Book Keeping			
Ledger maintained and up to date?	Yes		Ledgers sent through in advance of meeting allowing time for full review. All seemed fine. Can see discussed by the online minutes
Arithmetic correct?	Yes		All arithmetic is fine. Continuing with Excel. Auto-sum used as well as cross referencing final figures
Evidence of Internal Control?	Yes		Bank statements and cashbook sent out monthly to councillors along with the minutes, prior to meeting. Balanced quarterly. Noted in minutes
VAT evidence, recording and reclaimed?	Yes		Claimed correctly £8084.48 deposited into bank from HMRC
Payments supported by invoices, authorised and minuted?	Yes		Shown in minutes
S137 separately recorded and within limits?	Yes		Only £600 spent.
S137 expenditure of direct benefit to electorate?	Yes		Spent on poppies

2. Due Process			
Standing Orders adopted?	Yes		Carried out at AGM in May. No changes as no changes made by government.
Standing Orders reviewed at Annual Meeting?	Yes		Evidenced in the May meeting minutes.
Financial Regulations adopted?	Yes		No changes here as all Financial Regulations have previously been adopted.
Financial Regulations tailored to Council?	Yes		No actual changes made so agreement was to continue with all current regulations.

Adequate internal controls for payments?	Yes		Payments only being made using online banking app (through secure council phone) where possible. Only Clerk and Chair have this authority. All payments still discussed and minuted at meetings.
List of members interests held?	Yes		All up to date. Register available online.
Agendas signed, informative and published with 3 clear days notice?	Yes		Displayed on the noticeboard, available online, and emailed to councillors.
Purchase orders/confirmations raised for all expenditure?	Yes		Still continuing with the best practice of having multiple quotes for works and names removed for complete fairness and integrity.
Legal powers identified in minutes and or cashbook?	Yes		May 2022
Committee Terms of Reference and reviewed?	Yes		Continuation of last year's agreement.

3. Risk Management

Does scan of minutes reveal any unusual activity?	Yes		Scanned through minutes online. Could not see anything of any concern.
Annual risk assessment carried out?	Yes		May 2022
Insurance cover in place and appropriate?	Yes		Same as last year as it's a 3-year contract.
Evidence of annual insurance review?	Yes		Discussed but it's a 3-year policy which still has 2 years to run.
Internal financial controls documented and evidenced?	Yes		All documented, made still easier the more online banking is utilised.
Minutes initialled each page and overall signed?	Yes		Majority of pages initialled and all back pages signed.
Regular reporting of bank balance?	Yes		Bank statements emailed quarterly prior to meetings to allow time for full review and any questions to be raised. Balanced every quarter.

4. Budget

Annual budget to support precept?	Yes		Usual format for in-depth budget completed – reviewed at audit meeting.
Has budget been discussed and adopted by Council?	Yes		All minuted
Any reserves earmarked?	Yes		Earmarked reserves are: carpark @ £26k; cemetery extension @ £12k; play equipment @ £10k & paths @ £5k.

Any unexplained variances from budget?		No	Nothing
Precept demand correctly minuted?	Yes		Broken down and shown in the January meeting

5. Payroll - Clerk			
Contract of employment?	Yes		No changes to the clerk so no changes to the contract
Tax code issued?	Yes		Standard tax code used with this Parish.
PAYE/NI evidenced?	Yes		The same HMRC payroll software still being used.
Has Council approved salary paid?	Yes		Pay-rate is standardised. Annual increase in-line with Government scale. Discussed and agreed by Personnel Committee. A gratuity payment is available, and council have agreed to pay that to the Clerk.
Any other payments reasonable and approved by Council?	Yes		Payrate is standardised. Annual increase in-line with Government scale. Discussed and agreed by Personnel Committee.

6. Payroll - Other			
Contracts of employment?	Yes		All contracts issued. Still using ERNLIICA for any advice when and where needed
Does Council have public liability cover?	Yes		Continued with existing specialised cover
Tax codes used?	Yes		Using codes provided by HMRC
Minimum wages paid?	Yes		All being paid national minimum wage.
Pension obligations met?	Yes		No members of staff currently above the threshold BUT the staff have been offered to join the scheme with the council still being willing to contribute the 3%.
Complaints procedures in place?	Yes		All in place, arranged via ERNLLCA.

7. Asset Control			
Does Council keep a register of all material assets owned?	Yes		Yes – held on PC

Is asset register up to date?	Yes		Updated and discussed at meeting, any changes to assets are noted there and then.
Value of individual assets included?	Yes		Entered at time of purchase.
Inspected each year and reviewed?	Yes		Inspections carried out in May. Evidenced in online minutes. Land booked in for an imminent inspection.
Records of deeds, articles etc. kept?	Yes		Being stored in wooden building near village hall.

8. Cemetery

Are bookings recorded and handled appropriately?	Yes		Improved on the current system by adding a "check" sticker to the front of each divider to confirm/record certain elements.
Are payments recorded and actioned?	Yes		Rates set annually. Most paying directly online but still some occasionally paying by cheque
Are regulations complied with including PC's own rules and regulations?	Yes		Still using HAA standards. Strick procedures in place to ensure no issues. Cemetery knowledge course has recently been attended.

9. Allotments

Are tenancy agreements issued yearly?	Yes		Continued sending agreements via email. And an "assumed acceptance by payment" has been continued.
Are rents collected appropriately and banked?	Yes		Everyone encouraged to use electronic payments where possible.
Are the PC's own regulations complied with?	Yes		Regulations being adhered to and some changed being made to the minimum usage of plots.

10. Village Hall

Are hirings made and recorded appropriately?	Yes		Individual diary-based systems being used (one for each hall). Booking confirmation sent by email
Are payments made and recorded appropriately?	Yes		Budget for set prices agreed annually. Diary marked with a P when paid and R when deposit refunded. L means letter sent, if appropriate.

Are deposits refunded where appropriate?	Yes		Diary marked with R when refunded.
Are diaries and schedules kept and reconciled to invoicing and payments properly?	Yes		All payments and refunds balanced with the bank reconciliation as preferred payment method is online banking
Are staff wages paid appropriately according to village hall activities?	Yes		Staff are salaried

11. Bank Reconciliations			
IS there a bank rec for each account?	Yes		Statements sent prior to each meeting and discussed at meeting.
Reconciliations carried out at least quarterly?	Yes		Full reconciliations carried out quarterly.
Any unexplained balancing entries in reconciliation?		No	None

12. Year End Procedures			
Year end accounts prepared on correct accounting basis?	Yes		No changes to the current process
Bank statements and ledger reconcile?	Yes		Carried out evidenced in the online minutes.
Underlying financial trail from records to presented accounts?	Yes		All seen and simple to follow
Has Council agreed, signed and minuted sections 1 and 2 of the Annual Return?		No	Will be done at the June meeting

13. Miscellaneous			
Have points raised at last audit been addressed?	Yes		Nothing major raised from the last audit, pensions have been reviewed and offers to join are being given to all staff, even if below the mandatory threshold.
Has the Council adopted a Code of Conduct after July 2012?	Yes		No changes made from previous audit
Are all electronic files backed up?	Yes		Monthly via external hard drive and cloud also being used more and more
IS GDPR being complied with?	Yes		GDPR standards already in place but always discussed should anything new need considering.
Do arrangements for public inspection of Council's records exist?	Yes		Appointments can be made but also access to most things is made available online

Is the Councils gross annual turnover less than £25k (net of VAT) and if so, has it complied with the Smaller Authorities Regulations 2015?		N/A	N/A
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14. Land Management			
Have the land transfer taken place and been signed off?	Yes		Multiple quotes (made anonymous for meetings) arranged and discussed for any works needed.
Has the bonded sum been received and banked?	Yes		Sorted – amount seen
Any other information – maintenance/insurance etc.	Yes		All in place.

Any further additional comments/ notes from Auditor:

Happy with the access granted for everything needed to carry out the audit. Nice to see the Chair too. Nothing of concern raised needing further consideration.

Internal Audit carried out by: Mark Peterson

Date: 26/05/2023

Signed:



Report sent to Council – signed by the Clerk :

Report received by Council – signed by the Chairman: