

Healing Parish Council

Internal Audit Checklist

Name of Council	Healing Parish Council	Name of Clerk	Kathy Peers
No of Councillors	12	Name of RFO (if not Clerk)	
Quorum	4	Precept	£42,000
Electorate	2900 approx.	Gross budgeted income	

1. Bookkeeping			
Ledger maintained and up to date?	Yes		Ledger present for checking. Chair (or vice-chair) has checked and signed them
Arithmetic correct?	Yes		All automated via excel spreadsheet (equations saved into the spreadsheet so manual calculations not required) – also included within the document is a secondary check system. See “further comments” #1
Evidence of Internal Control?	Yes		Signed by the chair and discussed at the Council meeting (minutes seen). Evidence also seen confirming having been emailed to councillors in advance of the meeting, giving adequate time for full checks, reviewing and the opportunity for questions to be raised
VAT evidence, recording and reclaimed?	Yes		Making Tax Digital (MTD) has been taken on board. VAT registration number is 126000104479 and returns match the accounting
Payments supported by invoices, authorised and minuted?	Yes		All made available for checking – a random sample was checked from throughout the year and no issues found
S137 separately recorded and within limits?	Yes		Recorded in a separate column on the accounts spreadsheet so easy to identify. £7.86 per electorate is current limit, so based on the above approx. electorate a maximum of £22k is allowed. Total spend for year was £2640

S137 expenditure of direct benefit to electorate?	Yes		Payments made to village church, village football club and village events including Christmas event
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2. Due Process			
Standing Orders adopted?	Yes		Evidence seen in the May 2018 council meeting these have been properly minuted evidencing the discussions taking place
Standing Orders reviewed at Annual Meeting?	Yes		Minuted May 2018 council meeting
Financial Regulations adopted?	Yes		Minuted May 2018 council meeting
Financial Regulations tailored to Council?	Yes		Evidence of Financial Regulations all discussed with the outcome being to conform to all financial regulations and not to be selective.
Adequate internal controls for payments?	Yes		Documentation all in place for payments being made. See "further comments" #2 with regards to councillors reclaiming monies spent
List of members interests held?	Yes		All documented – members interests noted when first joining the council and updated as and when changed happen. Register of interests held is available on the Parish Council website
Agendas signed, informative and published with 3 clear days notice?	Yes		Available on the website. Published on the Wednesday before the meeting the following Tuesday
Purchase orders/confirmations raised for all expenditure?	Yes		Evidence seen of multiple quotes being obtained (where possible). There is minuted evidence of discussions taking place at council meetings before any payments made or works being agreed to.
Legal powers identified in minutes and or cashbook?	Yes		Minuted May 2018 meeting
Committee Terms of Reference and reviewed?	Yes		Carried out yearly – minuted May 2018 meeting. Only other committee is the Personnel Committee which must be kept separate

3. Risk Management			
Does scan of minutes reveal any unusual activity?	Yes		Nothing unusual seen. Chair (or substitute chairing the meeting) has signed the

			minutes and signed/initialled the individual pages
Annual risk assessment carried out?	Yes		Everything owned by the council has its own risk assessment carried out. The playground is included in this and this risk assessment has been carried out by the vice-chair who's qualified in doing these. PAT test documentation seen
Insurance cover in place and appropriate?	Yes		Three-year policy in force – this is the 3 rd year on this cover so will need reviewing for next year. Insurance is provided by specialist company provided bespoke policies for Parish Councils. See “further comments” #3
Evidence of annual insurance review?	Yes		Minuted May 2018 meeting
Internal financial controls documented and evidenced?	Yes		Minuted May 2018 meeting
Minutes initialled each page and overall signed?	Yes		No issues – big improvement from previous audit. Ensure all pages are numbered as one set of minutes had page numbers missing. This was explained due to the copy being signed was that of the Chair and not the Clerk, but care should be taken to prevent that where possible
Regular reporting of bank balance?	Yes		Evidence seen and signed each time

4. Budget			
Annual budget to support precept?	Yes		In-depth annual budget seen
Has budget been discussed and adopted by Council?	Yes		Minutes seen for this discussion – no issues or questions raised
Any reserves earmarked?	Yes		No reserves kept separately as none applicable. See “further comments” #4
Any unexplained variances from budget?	Yes		Very small variance from the original budget – evidence of this in minutes
Precept demand correctly minuted?	Yes		Minuted January 2019 meeting

5. Payroll - Clerk			
Contract of employment?	Yes		No changed to previous year
Tax code issued?	Yes		BR tax code for this Parish as using the normal tax code for role as Clerk to another Parish

PAYE/NI evidenced?	Yes		HMRC payroll system used – confirmation of this seen
Has Council approved salary paid?	Yes		Signed confirmation held on file. Rate of pay set, annual increases in pay level discussed as Personnel Committee meetings
Any other payments reasonable and approved by Council?	Yes		Travel allowance agreed – claims for travel seen and all appear reasonable

6. Payroll - Other			
Contracts of employment?	Yes		No changes to staff from last year – employment contracts still held on file
Does Council have public liability cover?	Yes		Provided by specialist company – same cover as last year. Insurance Certificate displayed in village hall
Tax codes used?	Yes		All on standard HMRC tax codes
Minimum wages paid?	Yes		All paid the National Living Wage
Pension obligations met?	Yes		Pension letters issued. Only other staff member entitles to join is Caretaker who has declined
Complaints procedures in place?	Yes		Refer to ERNLLCA. Complaints procedure clear in contracts given to staff at outset

7. Asset Control			
Does Council keep a register of all material assets owned?	Yes		Register seen
Is asset register up to date?	Yes		Updated with new purchases – individual items not revalued
Value of individual assets included?	Yes		All assets listed separately where it is sensible to do so
Inspected each year and reviewed?	Yes		Minuted in May 2018 meeting
Records of deeds, articles etc. kept?	Yes		Deeds seen

8. Village Hall			
Are hirings made and recorded appropriately?	Yes		Hall schedule (diary) is reviewed at monthly council meetings. No discrepancies noted
Are payments made and recorded appropriately?	Yes		Payment for hirers is standardised and set at budget meeting. This ensures everyone

			knows what payments are required. Payments for hirings are reviewed and confirmed at each council meeting
Are deposits refunded where appropriate?	Yes		Refunds documented – when paying by cheque, the cheque wasn't deposited to the bank, when using the Square Pay card payment system refunds paid direct (printouts from Square Pay seen) and now online banking is being used refunds can be seen through there. See "further comments" #5
Are diaries and schedules kept and reconciled to invoicing and payments properly?	Yes		All discussed and documented at monthly council meetings – random check carried out to confirm this does take place
Are staff wages paid appropriately according to village hall activities?			All staff paid salaries, so this is not applicable

9. Bank Reconciliations			
IS there a bank rec for each account?	Yes		Documentation seen – all signed by Chair or deputy
Reconciliations carried out at least quarterly?	Yes		Evidence seen – just ensure all pages are signed as evidence that they have all been presented for reviewing
Any unexplained balancing entries in reconciliation?	Yes		Returned cheques seen, held on file and explanations in place

10. Year End Procedures			
Year end accounts prepared on correct accounting basis?	Yes		All clear and simple. Last page signed and all other pages initialled
Bank statements and ledger reconcile?	Yes		Evidence in place confirming this has been properly carried out
Underlying financial trail from records to presented accounts?	Yes		All seen – evidence in place confirming everything is discussed at each Council meeting
Has Council agreed, signed and minuted sections 1 and 2 of the Annual Return?	Yes		Seen in the June 2018 minutes

11. Miscellaneous			
Have points raised at last audit been addressed?	Yes		Was an issue with the dates some documentation was made available due to the Clerk not being available on the

			stipulated date (only one day out). Going forward the Clerk will ensure the dates coincide
Has the Council adopted a Code of Conduct after July 2012?	Yes		Fully adopted – and minuted. No variances in place
Are all electronic files backed up?	Yes		Data backed up on external hard drive. This is carried out on a monthly basis just before each Council meeting. See “further comments” #6
IS GDPR being complied with?	Yes		GDPR data audit carried out last year, was discussed at last Internal Audit. Consent form for GDPR is in place. Happy to see dedicated Council emails have been introduced to prevent councillors’ personal emails being used. See “further comments” #7
Do arrangements for public inspection of Council’s records exist?	Yes		Appointments can be made to view documents at a neutral venue, notes can be made BUT copies not permitted
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

Any further additional comments/ notes from Auditor:

Very happy with the overall audit – nothing to cause concern. Clerk was very amenable during the audit having everything available for checking. The suggestions made at the last audit were implemented. Below are notes of further discussions which took place, these may assist the council going forwards, but these are only suggestions at this stage NOT recommendations

- 1) To aid with accounts keeping it has been suggested that the Clerk investigates one of the new Cloud Based accounting systems. This will ensure arithmetic is all correct, will help with MTD VAT submissions and may be of use with invoicing and chasing of invoices as this facility is all in-built.**
- 2) When councillors reclaiming monies spent an improvement could be a formalised system and recording as opposed to current system**
- 3) Whilst discussing insurances the subject was raised with regards to third parties hiring the hall and the covers they provide, and the outcome of responsibility. An “indoor sports” cover has been provided via the council insurers for one regular hirer, so it has been recommended to discuss with them the limitations of this cover can whether it**

can be applied to other regular hirers. If not a signed waiver of responsibility might be a good idea

- 4) With a proposed building of a new village hall taking place next year, it is recommended that the funds for that are kept separate and placed in an interest paying account
- 5) Consider using a pre-formatted signing in/out sheet with hirings. This would assist should there be any issues with damage and non-refund of deposits
- 6) For backing up of electronic files could a cloud storage system be used. This would have to meet current legal requirements (not all cloud storage systems do, so be aware). This may assist in the fact that the backing up of data would/could be instantaneous and would not be subject to being lost. This is again a point to be raised by the council for discussion
- 7) With regards to GDPR change wording in minutes to refer to Private Hirer and not name when recording. When explaining costs for newsletter distributions just refer to the round number and not the distributors name as these are often minors

Internal Audit carried out by: Mark Peterson

Date: 23/05/2019

Signed:

Report sent to Council – signed by the Clerk :

Report received by Council – signed by the Chairman: