

**Healing Parish Council**  
**Internal Audit Checklist – May 2023**  
**For audit for FY 2022/2023**

<b>Name of Council</b>	<b>Healing PC</b>	<b>Name of Clerk</b>	<b>Kathy Peers</b>
<b>No of Councillors</b>	<b>6/10 Seats Occupied</b>	<b>Name of RFO (if not Clerk)</b>	
<b>Quorum</b>	<b>3</b>	<b>Precept</b>	<b>£65,000</b>
<b>Electorate</b>	<b>2541</b>	<b>Gross budgeted income</b>	<b>£10,000</b>

<b>1. Bookkeeping</b>			
Ledger maintained and up to date?	Yes		Cashbook emailed over during the audit allowing me plenty of time to look through and inspect. No issues found.
Arithmetic correct?	Yes		Using excel and formal in place for all arithmetic.
Evidence of Internal Control?	Yes		Signed by the chair – evidence of meeting discussions.
VAT evidence, recording and reclaimed?	Yes		VAT claimed in two goes due to being quite high: £5715 & £3539.
Payments supported by invoices, authorised and minuted?	Yes		Strict procedures in place – this can be evidenced through the minutes.
S137 separately recorded and within limits?	Yes		Total spend £1682.78
S137 expenditure of direct benefit to electorate?	Yes		Money spent on Green Group, churchyard, poppy wreath, scouts & village award.

<b>2. Due Process</b>			
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 change as all Financial Regulations have been adopted previously.
Financial Regulations tailored to Council?	Yes		Agreed that amended policies will all be formally adopted for the year by the Council.
Adequate internal controls for payments?	Yes		Payments still being made using online banking app. Only Clerk and Chair have this authority. All payments still discussed and minuted at meetings
List of members interests held?	Yes		All available online

Agendas signed, informative and published with 3 clear days' notice?	Yes		Emailed, displayed on noticeboard, and made available online.
Purchase orders/confirmations raised for all expenditure?	Yes		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 2023
Committee Terms of Reference and reviewed?	Yes		Continuation of previous years agreement.

<b>3. Risk Management</b>			
Does scan of minutes reveal any unusual activity?		No	Looked through the minutes, online, prior to the audit meeting. Didn't see anything of any concern.
Annual risk assessment carried out?	Yes		May 2023. Playground has a weekly check pro-forma in place.
Insurance cover in place and appropriate?	Yes		Ongoing with existing provider.
Evidence of annual insurance review?	Yes		May 2021 signed up for a 3-year policy so that is still in force.
Internal financial controls documented and evidenced?	Yes		All documented and much easier to check using online banking. No cash handling takes place other than at events where this is not always possible. Rules in-place for any cash handling.
Minutes initialled each page and overall signed?		No	Again, very high percentage signed (and pages initialled) but odd one not. Chair was at the audit along with the Clerk and this was justified by Chair possibly having taken the signed copy away. Quite happy with this.
Regular reporting of bank balance?	Yes		Bank statements emails out with agenda prior to and then discussed at meetings.

<b>4. Budget</b>			
Annual budget to support precept?	Yes		Very in-depth budget provided
Has budget been discussed and adopted by Council?	yes		All minuted – no issues
Any reserves earmarked?	Yes		£24,000 – no specific purpose, just a contingency fund.
Any unexplained variances from budget?		No	Variance spreadsheet provided which includes any explanations.
Precept demand correctly minuted?	Yes		No issues.

<b>5. Payroll - Clerk</b>			
Contract of employment?	Yes		No changes to the Clerk and no changes to contract

Tax code issued?	Yes		BR tax code used as Clerk using her allowance with another parish
PAYE/NI evidenced?	Yes		HMRC PAYE software being used. Clerk did mention HMRC letter referring to non-payment of PAYE despite monies being sent. See additional information point 1.
Has Council approved salary paid?	Yes		Signed confirmation held on file. Rate of pay set and agreed via Personnel Committee. Annual increases in pay level as per government guidelines.
Any other payments reasonable and approved by Council?	Yes		Usual travel allowance in place.

<b>6. Payroll - Other</b>			
Contracts of employment?	Yes		Employment contracts held on file
Does Council have public liability cover?	Yes		Provided by specialist company – continuation of cover which has now been in force for several years
Tax codes used?	Yes		Tax codes provided by HMRC.
Minimum wages paid?	Yes		National living wage being paid.
Pension obligations met?	Yes		All below – but discussion took place during audit -see additional information point 2
Complaints procedures in place?	Yes		No changes – arranged through ERNLLCA

<b>7. Asset Control</b>			
Does Council keep a register of all material assets owned?	Yes		Presented at audit for inspection
Is asset register up to date?	Yes		Updated May 23
Value of individual assets included?	Yes		Yes – where reasonable
Inspected each year and reviewed?	Yes		Annually in May
Records of deeds, articles etc. kept?	Yes		All kept – deeds for village hall all in hand.

<b>8. Village Hall</b>			
Are hirings made and recorded appropriately?	Yes		Diary shown at audit.
Are payments made and recorded appropriately?	Yes		Payments levels agreed as part of budget meeting. Still using same letter codes to show payments, letter and refunds.
Are deposits refunded where appropriate?	Yes		Shown in diary and seen the bank statements showing the deposit refunded.
Are diaries and schedules kept and reconciled to invoicing and payments properly?	Yes		All discussed at monthly meetings.

Are staff wages paid appropriately according to village hall activities?	Yes		Staff salaried.
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<b>9. Bank Reconciliations</b>			
IS there a bank rec for each account?	Yes		Statements sent for monthly review. See additional note 3.
Reconciliations carried out at least quarterly?	Yes		Evidenced in the minutes online.
Any unexplained balancing entries in reconciliation?		No	Nothing unexpected

<b>10. Year End Procedures</b>			
Year-End accounts prepared on correct accounting basis?	Yes		No changes to current process.
Bank statements and ledger reconcile?	Yes		Carried out and evidenced via the minute review.
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 May meeting.

<b>11. Miscellaneous</b>			
Have points raised at last audit been addressed?	Yes		No real issues requiring action
Are all electronic files backed up?	Yes		Cloud being used fully now.
IS GDPR being complied with?	Yes		Always being brought into discussion too for anything new.
Do arrangements for public inspection of Council's records exist?	Yes		Appointments available but most documents now available online
Is the Council's gross annual turnover less than £25k (net of VAT) and if so, has it complied with the Smaller Authorities Regulations 2015?			Not applicable

**Any further additional comments/ notes from Auditor:**

Another good audit – happy to see the Chair present too. Everything provided prior or during the meeting for the audit to be carried out fully. Below are my additional notes for discussion/consideration.

- 1) Recommend setting up DD to pay the PAYE and NI to HMRC – it will hopefully stop and HMRC letters.

- 2) During pension discussion Clerk mentioned that other parish councils have made better pension offers to staff – Chair agreed to have further discussions.
- 3) During audit I was informed that Chair was printing off copies of the agenda emails to provide for councillors without access to council emails – was concerned that copies of bank statements might be getting printed too – was concerned that this could breach GDPR policy. Was assured that this hasn't happened. Care should be taken when printing copies of anything.
- 4) Happy with discussion about uniform councillor emails being used – this is much better than private ones and should be adopted as policy – not optional.
- 5) In connection with the two above points a discussion took place and a suggestion was made with regards to offering council tablets to all councillors – this means any council related information is kept away from personal computers. I could not see an issue with this BUT as it involved spending money then it should be fully discussed and minuted at the next meeting.
- 6) Discussion took place regarding improving the playground and village hall further, with loan funding BUT as they are only being considered now, they will form part of the next audit.

Internal Audit carried out by: Mark Peterson

Date: 10/05/2024

Signed:

A handwritten signature in black ink, appearing to be 'M. Peterson', written over a horizontal line.

Report sent to Council – signed by the Clerk:

Report received by Council – signed by the Chairman: