

Laceby Parish Council

Internal Audit Checklist – FY 2022/23

|                          |                     |                                   |                      |
|--------------------------|---------------------|-----------------------------------|----------------------|
| <b>Name of Council</b>   | <b>Laceby</b>       | <b>Name of Clerk</b>              | <b>Nicola Ashton</b> |
| <b>No of Councillors</b> | <b>8/10 seats</b>   | <b>Name of RFO (if not Clerk)</b> |                      |
| <b>Quorum</b>            | <b>4</b>            | <b>Precept</b>                    | <b>£41,631</b>       |
| <b>Electorate</b>        | <b>Approx. 4500</b> | <b>Gross budgeted income</b>      | <b>£98,500</b>       |

| <b>1. Bookkeeping</b>                                   |     |  |  |
|---|-----|--|--|
| Ledger maintained and up to date?                       | Yes |  | All made available for checking – no issues identified.  |
| Arithmetic correct?                                     | Yes |  | Still using Scribe (accounting software) so no issues with the arithmetic.   |
| Evidence of Internal Control?                           | Yes |  | Continued with the process is emailing to councillors; discussed at the meeting and minuted for confirmation of discussion |
| VAT evidence, recording and reclaimed?                  | Yes |  | £6541.42 claimed in May  |
| Payments supported by invoices, authorised and minuted? | Yes |  | Invoices filed with relevant months. Summary document produced giving simple overview. Signed by Chair                     |
| S137 separately recorded and within limits?             | Yes |  | £2085 claimed in total   |
| S137 expenditure of direct benefit to electorate?       | Yes |  | Poppy Donation - £100<br>Other donation - £250<br>Queens Jubilee – 1,735   |

| <b>2. Due Process</b>  |     |  |  |
|--|-----|--|--|
| Standing Orders adopted?   | Yes |  | No changes   |
| Standing Orders reviewed at Annual Meeting?                          | Yes |  | Discussed and agreed April 2022  |
| Financial Regulations adopted?                                       | Yes |  | Continuation with full financial regulations   |
| Financial Regulations tailored to Council?                           | Yes |  | No changes needed to existing regulations  |
| Adequate internal controls for payments?                             | Yes |  | Evidenced documentation for all payments. The control process has remained as follows: discuss; propose payment then signed off and payment made           |
| List of members interests held?                                      | Yes |  | List updated for existing councillors and new councillors generate list on inception   |
| Agendas signed, informative and published with 3 clear days' notice? | Yes |  | Displayed on notice board (have been some issues with this but that's been outside of the council's control), listed on website and emailed to councillors |

|   |     |  |  |
|---|-----|--|--|
| Purchase orders/confirmations raised for all expenditure? | Yes |  | Proposed expenditure discussed at meeting, two quotes provided (where possible) then discussed and agreed at meeting. Before payment made must have receipt of invoice and an inspection of the works needs to have been carried out. Due to substantial work being carried out on the playground some pre-authorisation has been given. |
| Legal powers identified in minutes and or cashbook?       | Yes |  | Agreed and minuted.  |
| Committee Terms of Reference and reviewed?                | Yes |  | Personnel committee only committee in force.   |

| <b>3. Risk Management</b>                             |     |    |  |
|---|-----|----|--|
| Does scan of minutes reveal any unusual activity?     |     | No | Nothing unusual seen   |
| Annual risk assessment carried out?                   | Yes |    | Year-end assessment carried out.   |
| Insurance cover in place and appropriate?             | Yes |    | Policy has been updated where required   |
| Evidence of annual insurance review?                  | Yes |    | Reviewed at meeting, considered other providers but opted to remain with existing provider as happy with cover and service given |
| Internal financial controls documented and evidenced? | Yes |    | Financial controls reviewed annually, multi-authorisation needed, and a printout of the payment needed for records               |
| Minutes initialled each page and overall signed?      | Yes |    | Random selection of minutes reviewed all signed and initialled where relevant  |
| Regular reporting of bank balance?                    | Yes |    | Banking reported quarterly for balancing purposes but should will be discussed monthly should it be beneficial                   |

| <b>4. Budget</b>                                  |     |    |   |
|---|-----|----|---|
| Annual budget to support precept?                 | Yes |    | All seen and happy with budget paperwork  |
| Has budget been discussed and adopted by Council? | Yes |    | Discussed and agreed in January meeting.  |
| Any reserves earmarked?                           | Yes |    | Funds earmarked as follows: £6,348 for the cemetery; £10k general use; £45k for churchyard and walls and another £10k for emergencies |
| Any unexplained variances from budget?            |     | No | None  |
| Precept demand correctly minuted?                 | Yes |    | Minuted January 2023  |

| <b>5. Payroll - Clerk</b>                              |     |  |   |
|--|-----|--|---|
| Contract of employment?                                | Yes |  | No change to Clerk or contract from last year   |
| Tax code issued?                                       | Yes |  | Using BR tax code as main employment held elsewhere   |
| PAYE/NI evidenced?                                     | Yes |  | PAYE carried out by Smethurst   |
| Has Council approved salary paid?                      | Yes |  | Paid standard clerk pay, due to earnings level now Clerk is eligible for pension enrolment and has opted to join the scheme |
| Any other payments reasonable and approved by Council? | Yes |  | As previous year with agreed allowance for mileage and small petty cash items   |

| <b>6. Payroll - Other</b>                 |     |  |   |
|---|-----|--|---|
| Contracts of employment?                  | Yes |  | All in place  |
| Does Council have public liability cover? | Yes |  | Both employer and public liability cover in place.                              |
| Tax codes used?                           | Yes |  | No changes from last year   |
| Minimum wages paid?                       | Yes |  | Paid standard living wage   |
| Pension obligations met?                  | Yes |  | See above for the Clerk and one other member of staff is eligible for enrolment |
| Complaints procedures in place?           | Yes |  | Copy held in HR files   |

| <b>7. Asset Control</b>                                    |     |  |  |
|--|-----|--|--|
| Does Council keep a register of all material assets owned? | Yes |  | Updated March 2023   |
| Is asset register up to date?                              | Yes |  | Updated March 2023   |
| Value of individual assets included?                       | Yes |  | Yes – seen with each asset allocated a reference number  |
| Inspected each year and reviewed?                          | Yes |  | Evidenced  |
| Records of deeds, articles etc. kept?                      | Yes |  | All copies held – recent communication has referred to something held by Nat West – Clerk trying to find out what. |

| <b>8. Cemetery</b>  |     |  |  |
|---|-----|--|--|
| Are bookings recorded and handled appropriately?                        | Yes |  | Separate register used, this shows booking, specific requests/requirements and payments due/received. Ongoing cloud backups. Old records are also being updated to ensure accuracy |
| Are payments recorded and actioned?                                     | Yes |  | Shown through bookings recordings  |
| Are regulations complied with including PC's own rules and regulations? | Yes |  | Being adhered to and ongoing reviews if needed.  |

| <b>9. Allotments</b>                          |     |  |   |
|---|-----|--|---|
| Are tenancy agreements issued yearly?         | Yes |  | New agreements issued at start of year. Continued with the stated assumption that payment of fees meant agreement to terms                              |
| Are rents collected appropriately and banked? | Yes |  | Most paid by BACS (preferred method) but still a few insisting on paying by cheque or cash  |
| Are the PC's own regulations complied with?   | Yes |  | Agreed Feb 2023. Individual plots insured via the allotment association. Some stricter rules implemented giving PC more power over badly run allotments |

| <b>10. Bank Reconciliations</b>                      |     |  |   |
|--|-----|--|---|
| IS there a bank rec for each account?                | Yes |  | Statements issued monthly but full reconciliation carried out quarterly |
| Reconciliations carried out at least quarterly?      | Yes |  | Evidence seen in meeting minutes.                                       |
| Any unexplained balancing entries in reconciliation? | Yes |  | Nothing to report   |

| <b>11. Year End Procedures</b>  |     |  |   |
|---|-----|--|---|
| Year-end accounts prepared on correct accounting basis?                       | Yes |  | All produced by the Scribe accounting software. All pages signed/initialled |
| Bank statements and ledger reconcile?   | Yes |  | Seen  |
| Underlying financial trail from records to presented accounts?                | Yes |  | Seen  |
| Has Council agreed, signed and minuted sections 1 and 2 of the Annual Return? | Yes |  | To be signed at June meeting when internal audit is discussed               |

| <b>12. Miscellaneous</b>   |     |  |   |
|--|-----|--|---|
| Have points raised at last audit been addressed?   | Yes |  | Pension review carried out, and staff where relevant given option to join                                 |
| Has the Council adopted a Code of Conduct after July 2012?   | Yes |  | All in place  |
| Are all electronic files backed up?  | Yes |  | Continued using the cloud for this  |
| IS GDPR being complied with?   | Yes |  | Existing GDPR rules still adhered to but discussions always taking place regarding anything new           |
| Do arrangements for public inspection of Council's records exist?  | Yes |  | Appointments can be made at a neutral venue, but most documents now made available on the council website |
| 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? |     |  | N/A   |

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

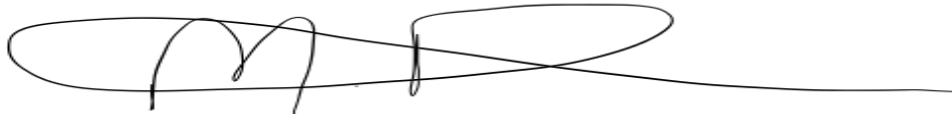
Once again, very happy with the audit and the help and openness of Nicola. Everything needed was provided at the and could be re-confirmed via the website.

Again, no major changes improvements needed.

Would advise ongoing reviews of staff pensions as the mandatory increase in minimum wage could push staff over the lower earnings level of £520 per month.

Internal Audit carried out by: Mark Peterson

Date: 12/05/2023

A handwritten signature in black ink, appearing to be 'M. Peterson', with a long horizontal line extending to the right.

Signed:

Report sent to Council – signed by the Clerk:

Report received by Council – signed by the Chairman: