

## Humberston Village Council

### Internal Audit Schedule of Works

<b>Name of Council</b>	<b>Humberston Village Council</b>	<b>Name of Clerk</b>	<b>Katharine Peers</b>
<b>No of Councillors</b>	<b>12 seats – currently 8 members</b>	<b>Name of RFO (if not Clerk)</b>	
<b>Quorum</b>	<b>4</b>	<b>Precept</b>	<b>£108,000</b>
<b>Electorate</b>	<b>5,471</b>	<b>Gross budgeted income</b>	<b>£30,000</b>

#### 1. Book Keeping

Ledger maintained and up to date?	Yes	Ledgers presented for inspection at meeting. No issues.
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	Continuing with best practice of 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 in two amount this year £9,345 in September and £3,895 in March. Claim split into two due to being larger than usual, mainly due to the cost of the window repairs. Both amounts have been received into the bank account.
Payments supported by invoices, authorised and minuted?	Yes	All evidenced by the minutes.
S137 separately recorded and within limits?	Yes	Only 4 payments made to a total of £643. Of which the majority of that money came from two fund raising event.
S137 expenditure of direct benefit to electorate?	Yes	Payments made to local pre-school, poppy appeal, St Andrews Hospice & Clee Wildlife.

#### 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	Regulations have all previously been adopted so no changes here.
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 are only able to be 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. Copies seen at the meeting. The register should be available online, but the link currently is not working. Council made aware of this in the additional information.
Agendas signed, informative and published with 3 clear days notice?	Yes	The process is to display on the noticeboard, make 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. Examples seen.
Finance information circulated to all members. Eg bank statements, reconciliations	Yes	Bank statements sent monthly and discussed at meetings. Reconciliations carried out quarterly.
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 numerous copies of the minutes online. Could not see anything of any concern.
Annual risk assessment carried out?	Yes	May 2023
Insurance cover in place and appropriate?	Yes	Third year of three year policy.
Evidence of annual insurance review?	Yes	Policy discussed and added cover for the new zipline.
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	All pages I checked were initialled and all back pages signed.

Regular reporting of bank balance?	Yes		Bank statements emailed monthly prior to meetings to allow time for full review and any questions to be raised.
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<b>4. Budget</b>			
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		Funds earmarked are: Carpark @ £30k; cemetery @ £5k; play equipment @ £10k and tarmac fund £3k.
Any unexplained variances from budget?	Yes		Full written explanation provided. £72k variance (£21k for play area, £39k for cemetery extension and almost £12k for window repairs).
Precept demand correctly minuted?	Yes		Fully explained and shown in the January meeting.

<b>5. Payroll - Clerk</b>			
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		Discussed and agreed by Personnel Committee.

<b>6. Payroll - Other</b>			
How many other staff apart from Clerk			Number = 6
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		Two staff now qualify for the pension scheme. Councils agreed to make above minimum contributions.
Complaints procedures in place?	Yes		All in place, arranged via ERNLLCA.

<b>7. Asset Control</b>			
Does Council keep a register of all material assets owned?	Yes		Help of Council PC. Shown the register at the meeting.
Is asset register up to date?	Yes		Updated as and when new items purchased.
Value of individual assets included?	Yes		Entered at time of purchase.
Inspected each year and reviewed?	Yes		Discussed at meeting in May and inspections carried out where it's felt necessary.
Records of deeds, articles etc. kept?	Yes		Being stored in wooden building near village hall.

<b>8. Cemetery</b>			
Are bookings recorded and handled appropriately?	Yes		Sticker still being used on the front to the plastic sleeves for each booking. They clearly show what has/hasn't been done yet.
Are payments recorded and actioned?	Yes		Rates set annually. Some paying directly online but still some paying by cheque.
Are regulations complied with including PC's own rules and regulations?	Yes		Still using HABA standards. Strict procedures in place to ensure no issues. Another cemetery knowledge course has recently been attended.

<b>9. Allotments</b>			
Are tenancy agreements issued yearly?	Yes		Continued sending agreements via email, they are 5 pages long and council actively trying to minimise paper usage. And an "assumed acceptance by payment" has been continued.
Are rents collected appropriately and banked?	Yes		Everyone encouraged to use electronic payments where possible. Few still wanting to pay by cash/cheque but procedures in place to record this all the way through to bank reconciliation.

Are the PC's own regulations complied with?	Yes		Regulations being adhered you and some changed being made to the minimum usage of plots.
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<b>10. Village Halls</b>			
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		Followed through whole process for random booking to see funds paid and deposit returned.
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

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

<b>12. Year End Procedures</b>			
Year end accounts prepared on correct accounting basis?	Yes		No changes to the current process.
Bank statements and ledger reconcile?	Yes		Carried out and evidenced at the meeting.
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 in the May meeting

<b>13. Miscellaneous</b>			
Have points raised at last audit been addressed?	Yes		Nothing major raised from the last audit.
Has the Council adopted a Code of Conduct after July 2012?	Yes		No changes made from the previous audit.
Are all electronic files backed up?	Yes		Monthly via external hard drive and cloud also being used all the time.
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 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	N/A

<b>14. Land Management</b>			
Have the contracts been awarded appropriately	Yes		Multiple quotes (typed out and made anonymous for meetings) arranged and discussed for any works needed.
Has the bonded sum been ringfenced?	Yes		Sorted – seen.
Any other information – maintenance/insurance etc.	Yes		All in place.

<b>15. Special Projects – Cemetery Extension Project</b>			
Was land purchased correctly from NELC?	Yes		Full process explained. Solicitor's letters seen.
Was loan obtained correct and has it been drawn down yet	Yes		Loan has been granted but not yet drawn down. See additional information regarding draw down.
Has planning permission been obtained? Are there conditions?	Yes		Planning has been granted – no conditions.
Have all necessary infrastructure works been identified and appropriate quotations obtained?	Yes		All jobs needed have been documented and priced up, prior to loan application. Paper trail 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 pop in too.**

- 1) Link on the website for councillors' interests does not work.**
- 2) Clerk explained that they do not need the loan funds immediately, and that the council had given her authority to draw down the funds as and when she felt most beneficial, especially with hopefully dropping interest rates. As this is risky with interest rates fluctuating all the time, I would be happier if the council came to an agreement as to when funds should be drawn down.**

Internal Audit carried out by: Mark Peterson

Date: 24/04/2024

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: