



Minutes of the Extraordinary Meeting of the Internal Audit Committee held on Thursday 2nd November 2023

Present Councillors: **C. McCartan (Chair), M. Howis, T. Murphy, P. Owen, C. Walker** (5 Councillors present).

Apologies were received from Councillors: **B. Clark & A. Winsborough.**

Absent: **None**

There was one member of the public in attendance.

The meeting started at 6.30pm.

IA/2023/01 To appoint a chair of the Internal Audit Committee for Thursday 2nd November

Resolved:- That Cllr McCartan be appointed to chair the meeting in the absence of Cllr B Clark.

Voting:- 5 councillors present. All councillors voted in favour.

IA/2023/02 To receive and approve reasons for absence

Resolved:- That councillors approved reasons for absence received from Cllr B. Clark and Cllr A. Winsborough.

Voting:- 5 councillors present. All councillors voted in favour.

IA/2023/03 To receive declarations of interest in respect of business on the agenda

Resolved:- That no declarations of interest were received.

IA/2023/04 To receive written requests for dispensations for disclosable pecuniary interests (if any)

Resolved:- That the Clerk had received no written requests for dispensations.

IA/2023/05 To grant any requests for dispensation as appropriate

Resolved:- That no requests for dispensation need to be granted.



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IA/2023/06 To identify any agenda items which may be considered following the exclusion of the press and public, due to the confidential nature to be discussed. Under Public Bodies (Admission to Meetings) Act 1960, S1 (2)

Resolved:- That on Item 8 (Minute Ref: IA/2023/08) be conducted in Public Session apart from when discussed Appendix B of the Internal Audit report which will is recommended to be placed into confidential session.

Voting:- 5 councillors present. All councillors voted in favour.

IA/2023/07 Public Participation Session

- A member of the public asked what Appendix B of the Internal Audit report is. The Clerk advised that the item relates to a previous employee of the council.
- A request for an update on the Internal Audit, and whether there is a delivery plan in place. The Clerk advised that the Internal Auditor had requested an update on the plan which was completed at the time. The current progress to report is 28.37% of actions are completed, 16.21% is in progress and 55% is to be started at the time of the meeting that was due to take place in September.
- A member of the public highlighted that they couldn't find the Financial Risk Assessment on the website. The Clerk noted the question and highlighted that updates to the website that are currently taking place, a check of the website would be undertaken.
- A request for a copy of the progress of the Internal Audit report be uploaded for public. The Clerk noted the request, and it is the intention to have this on the website as a rolling update.

IA/2023/08 To consider the recommendations from the Internal Audit report for the financial year 2022-23



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The Clerk read through a Clerk report that detailed actions completed and in progress, the Clerk stopped at the end of each page for councillors to raise any questions with the report. Please see the Clerk Report for the full rundown of the actions.

Councillors raised issue with five invoices for Glendales Countryside on 28th October 2022 and have requested to see the previous receipts. The Clerk agreed to send invoices for Glendales Countryside relating to 28th October 2022, and highlighted that there were a number of invoices that hadn't been paid when the Clerk took post, this is the reason for the multiple invoices paid.

Councillors raised that there are a number of green rated recommendations that could be completed to raise the percentage of the Internal Audit report. The Clerk advised that the red rated had been a priority.

CONFIDENTIAL SESSION – APPENDIX B

Councillors discussed recommendation 48 and have agreed to recommend to the council that HMRC be contacted to conduct a review into the recommendation that had been highlighted a difference in financial payments.

Resolved:- That the report for the completed and in progress items from the Internal Audit report be approved by the committee, and a recommendation made to council to be approved.

Voting:- 5 councillors present. All councillors voted in favour.

IA/2023/09 To notify the clerk of matters for inclusion on the agenda of the next meeting

No matters raised for inclusion at the next meeting.



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IA/2023/10 To consider the meeting schedule for the Internal Audit Committee for the current financial year

The Clerk made councillors aware that due to the previous meeting of the Internal Audit Committee being reorganised due to not being quorum the schedule was resolved by full council. The meeting dates are as follows;

- Thursday 16th November 2023
- Thursday 11th January 2024
- Thursday 14th March 2024

Meeting concluded at 19:43pm.



Completed Actions

1. That the appointment of the new Parish Clerk and RFO be ratified by the full Council.

The Council resolved to retrospectively appoint Thomas Collingham as the Clerk and RFO from 1st September 2022 under minute reference 9435.

2. That the appointment of a councillor undertaking the Clerk role in future be subject to a risk assessment and formal resolution of the full council or delegated committee in accordance with the Local Government Act 1972, section 112 (5).

That the Council notes the recommendation made by the Internal Audit for future appointments of any councillor. This was detailed in the minutes for the purpose of Clerk but it was not clear for the separate role of the Responsible Finance Officer (Section 151).

3. That the correct opening balances are inserted into the Scribe Accounts as this will assist with the year-end reporting.

The Clerk & RFO addressed the opening balances which had been set in a Receipts and Payments method, rather than an Income and Expenditure. This had to be addressed in order to report the correct figures to the External Auditor and this has also been shared with councillors when accepting the AGAR under minute reference 9441.

6. That the wording 'exclusive of VAT' be inserted to the Financial Regulations and Standing Orders relating to contracts exceeding £25,000 due to the change in contract values by government. In the event that a model standing order or financial regulation relating to this be issued by NALC, it is recommended that the model clause be adopted instead.

That the Council note that the model Standing Orders and Financial Regulations relating to the change in the procurement amount were noted by Council under minute reference 9445.

12. That the Council recovers the duplicated amount of £180.00 paid twice on the 31st March 2023 relating to invoice number GC451-684.

The Clerk recovered the duplicated payment from Glendale Countryside, and this was paid back into the bank on 30th May 2023.

18. That the Council follows the requirements of the Public Contracts Regulations 2015 when considering and awarding contracts exceeding £25,000 (net).

That the Council consider the recommendation and note the requirement to use Contract Finder for any projects or contracts that will exceed the new procurement amount for contracts of £30,000 as reflected in the Standing Orders and Financial Regulations.

19. That unless resolved by a minute resolution and subject to a risk assessment, councillors should not be directly involved with the procurement of goods and services.



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That the Council consider the recommendation and note that only the Proper Officer will be involved in the procurement of goods and services moving forward, unless directed by the council.

- 20. That the council agrees the specification and requirements of the Christmas Lights contract and that a tender exercise be carried out in accordance with the Financial Regulations and that approval be sought from the principal authority relating to the competency of the contractor which should form part of the specification/criteria. The quotations to be recorded in the council minutes and a contract for services be drawn up, official letter or purchase order following the award of the contract and in compliance with the tendering requirements as set out in the Financial Regulations.**

The council considered three different quotations for the Christmas Lights. The company that won the tender are an approved contractor by the council and are used across most of their own festive lighting. A contract of service has been signed by the Clerk and two councillors.

- 21. That the payment of £70.65 paid to Cllr Andrew Copeland be considered to be retrospectively approved by council or monies recovered.**

The payment was paid on the 4th July 2022 and should have been approved at the meeting held on 30th June 2022. The payments list for this meeting was not available to the new Clerk. Therefore, a second approval to ensure all payments were captured took place the meeting on 29th September 2022. The amount is listed under the payments that had not had prior authorisation and this was explained to the council at the time. The Council therefore should consider the recommendation as the approval has been granted.

- 25. That the council develop a Grant Policy and Procedure with an appendix grant application form (model grant application form can be obtained from Yorkshire Local Council Association). The grant form to include terms and conditions of the grants payments, request for financial account to be included as part of the grant application. The applications to submit receipts within 6 months of incurring the grant funding and to return any unused funds to the council. The forms to be formally adopted by council and to replace the existing internal grant forms.**

The Clerk advises that the Grant Policy is to be reviewed by Finance and General meeting on 18th September 2023 and for a recommendation to be made to the full council on 28th September 2023.

- 28. That the council reconstructs its electronic records to ensure that VAT is recorded in correct column and that there are VAT invoices to correspond to each individual payment where VAT is being reclaimed. The supplier/customer details to be corrected on the Scribe system.**



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The Clerk has reconstructed the VAT records to ensure that the information held for energy suppliers, and other contractors have been recorded correctly before the Accounting Statement was accepted by the council.

34. That the council considers adopting the Model Code of Conduct issued by the Local Government Association and recommended by NALC [National Association of Local Councils].

The Finance and General Committee reviewed this document and made a recommendation for the LGA's version of the Code of Conduct be adopted. This was considered and adopted under minute reference 9445.3.

42. That the council formally acknowledges the precept amount submitted to RMBC relating to the 2023/24 financial year and clarifies the error recorded at minute reference 9269 of the council meeting minutes held on the 26th January 2023.

The precept of £176,144 for the 2023/24 financial year was agreed at the meeting held on the 26th January 2023. This figure was reviewed against the precept demand sent to the principal authority via email and this recorded £176,114. The budget document breakdown detail recorded a precept of £176,114. The Clerk is aware of the typo in the minutes and recommends to the Council to formally acknowledge the typo in the minutes that the agreed precept amount should read £176,144.

47. That the hall hire and pitch fees be formally reviewed annually and agreed by the council in accordance with Financial Regulations 9.3.

The fees for hall hire were reviewed and adopted by the council under minute reference 9278 (26th January 2023). The pitch fees were reviewed and adopted by the council under minute reference 9441.1 (27th July 2023).

54. That in the event the council continues to pay the Chairman an annual Allowance, that this be processed via the payroll and where appropriate, income tax be deducted under PAYE scheme.

The Clerk has created a Chairmans Allowance policy on how to process the payments under the cost code. The remaining allowance will be allocated to a chosen charity in the event that there is money remaining at the end of the year.

58. That on a regular basis (in accordance with Financial Regulations 2.2) at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall the reconciliation and the original bank statements (or similar document) as evidence of verification. The activity shall on conclusion be reported, including any exceptions, to and noted by the council to the Finance & General Committee.



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The Clerk has started to produce the bank reconciliations that have been signed by two councillors that are not the chair to verify the statements. This has now started to be fed into the Finance & General meeting.

59. That the figure in box 4 is amended to include the HMRC payments and Pension Contributions prior to submission for external audit. Refer to the Practitioners Guide for further guidance.

The Clerk & RFO has rectified the figure in Box 4 to include the payment amounts that were previously included in the next financial year. This has been presented to the council for consideration as part of the Accounting Statement

60. That the underlying detail for the income be reviewed and updated accordingly prior to submission for external audit.

The Clerk & RFO has reviewed the income received by the council, and a new process has been put in place for the Bookings to ensure that we have an effective paper trail when dealing with cash payments. The process for the cemetery is currently being reviewed and an audit of the last few years needs to be undertaken to ensure that we are protecting any income due to the parish council.

61. That the figure recorded in box 7 be reviewed to remove any costs related to HMRC that should be recorded in box 4.

The Clerk & RFO has updated the HMRC payments that had not been included as part of the box 4 staffing costs.

62. That the transactions for pension contributions be located to ensure that they are correctly reported in box 4.

All pension payments for the period between January-March have been recorded as part of the figures for the year 2022-23 under the income and expenditure financial model, rather than the receipts and payments model that had previously been implemented.

63. That the explanation of significant variances document be updated to include an explanation that will be required for reporting purposes to the external auditor.

The explanation of significant variances was updated as part of the process to ensure that the AGAR could be submitted to the external auditor. This was presented to the council for review as part of this process.

72. That the signed external audit certificate relating to the 2021/22 financial year be published on the website.

The certificate for the previous year has been uploaded to the website.



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74. That the council ensures all business to be transacted at council meetings is identified on the agenda and that public notice is given in accordance with the requirement of the Local Government Act 1972. Further advice on meeting and meetings summons can be obtained from the Yorkshire Local Council Association.

The Clerk is currently undertaking the CiLCA qualification that is increasing the learning around the legislation of Local Government Act 1972 Schedule 12, the council should note the improvement in agendas, but to ensure compliance with all the requirements in accordance with the public notice that is given.

Progress Items

4. That the cover of the Standing Orders includes details to confirm which latest NALC model the Standing Orders are based on and that an original signed copy by the Chair of the meeting be retained on file and a scanned copy be published on the website.

That the Council note the recommendation and that the Clerk has delegated authority to implement the front cover including the version information.

5. That the cover of the Financial Regulations includes details on the face of the cover to confirm which model NALC Financial Regulations they are based on.

That the Council consider the recommendation and that the Clerk has delegated authority to implement the front cover including the version information.

9. That a suitably designed authorisation stamp for payment be used for all invoices as evidence of checks of the purchasing and payment authorisation to form an adequate audit trail which can be tracked back to where the order/payment originated. As a minimum the stamp should record the detail to reference the original purchasing authority, certificate of the invoice by the RFO; payment authorisation; payment date/type and authorised by to included details of the signatories.

That the Council considers the recommendation and delegates for the Clerk to purchase a payment stamp to include required information for a paper trail.

13. That the Council investigate the payments made to Glendale Countryside relating to the payment of £660.00 paid on 29th July 2022 and the payment of £840.00 paid on the 28 October 2022 which cannot be substantiated due to no invoice on file.

The Clerk has checked through the Scribe Accounts and can see an invoice for the amount of £660.00 paid to Glendale on 29th July 2022 and the invoice is kept on file. The Clerk has checked the bank statement for a payment made of £840.00 on 28th October 2022, the amount does not exist on the bank statement or on the Scribe Accounts. There are five payments made to Glendale Countryside on the 28th October 2022, each with an attached invoice. I have included the amounts paid below;

- £516.00



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- £564.00
- £1694.40
- £1950.90
- £2562.00

48. That the council voluntarily reports itself to the Police and to HMRC for loss of council funds and financial impropriety surrounding the payment to Employee A which does not match the payroll record and that an audit and investigation relating to the previous financial payments made to this employee be conducted by an external provider to manage the conflicts of interests and that any significant irregularities be reported to the Police and HMRC.

To be discussed in confidential session.

49. That all employee contracts of employment be reviewed and to include provision for pay date and pay frequency. The signed contracts of employment to be retained on file for audit purposes.

The Clerk recommends that staffing matters be referred to the HR Committee meeting for discussion and consideration and a recommendation be made by the committee back to full council.

50. That all council employees sign a timesheet and hand this in to their line manager to be signed off and retained on their Personnel Files. The timesheets for the Clerk/RFO should be signed off by the appropriate Personnel Committee or Chair of the Council as the case may be who the council may appoint to sign off the timesheets in between the Personnel committee meetings.

The Clerk recommends that staffing matters be referred to the HR Committee meeting for discussion and consideration and a recommendation be made by the committee back to full council.

51. That the payroll and pensions administration and HMRC reporting be outsourced to an independent payroll specialist.

The Clerk recommends that staffing matters be referred to the HR Committee meeting for discussion and consideration and a recommendation be made by the committee back to full council.

52. That the council formally records the pension contribution rates in the council minutes for audit purposes and investigates all payments relating to pension for the employee and employer to ensure they have been administered correctly.

The Clerk recommends that staffing matters be referred to the HR Committee meeting for discussion and consideration and a recommendation be made by the committee back to full council.



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53. That the council ensures all eligible post-holders are enrolled into the employers pension scheme. Further guidance on pensions is available in the National Association of Local Councils legal topic note which can be obtained from the Yorkshire Local Council Association.

The Clerk recommends that staffing matters be referred to the HR Committee meeting for discussion and consideration and a recommendation be made by the committee back to full council.

55. That the council develops and adopts a Chairmans Allowance Policy which sets out the associated expenditure incurred in connection with the role and submission of an expenditure report at the year-end for audit purposes. The council may consider a system where the lump sum is not paid annually to the Chairman but in the alternative system be introduced where claims are submitted on a formal claim form and substantiated with a receipt for re-imbusement against the Chairmans Allowance budget.

That the council consider the recommendation to full council and that a Chairmans Allowance Policy be developed to secure the public funds and ensure that there is a robust reporting procedure for using the Chairmans Allowance.

Progress Tracker

ACTIONS	COMPLETE	IN PROGRESS	NOT STARTED
RED	11	5	12
AMBER	9	4	15
GREEN	1	3	14
% COMPLETION	28.37%	16.21%	55%