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## Cambridgeshire & Peterborough Association of Local Councils

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1<sup>st</sup> July 2024

### By Email

Melbourn Parish Council  
Melbourn Hub  
30 High Street  
Melbourn  
SG8 6DZ

Dear Chair and Cllrs

### Melbourn Internal Audit- Internal Audit Visit– 5<sup>th</sup> June 2024

Following my second visit to Melbourn Parish Council on Thursday 5<sup>th</sup> June 2024, I confirm I again met with Alexandra Coxall, Abigail Williams and Shelley Coulman to complete the final part of the 23/24 Internal Audit.

I was pleased to see a number of previous recommendations had already been actioned including a review of Standing Orders and Registers of Interest, as well as implementation of a data breach log. The following recommendations remain to be actioned or have been raised at the second visit.

- The council should urgently review the Risk Management Policy which was last reviewed in 2018. Review of this document, along with the risk register/risk assessments should take place annually. Adequate assessment of risk is a requirement of the Annual Governance and Accountability Return (AGAR).
- A copy of the approved budget should be easily accessible on the council's website; at present it is only accessible through the agenda pack for the meeting at which it was approved.
- I would recommend that the Clerks attend some sector-specific Data Protection training.
- Insurance figures should be added to the asset register.
- To meet transparency requirements, the council should update the "Income over £500" on its website.
- Records should be kept of all inspections, whether that be inspections of defibrillators, memorials or play areas.

I confirm I have completed the Internal Auditors section of the AGAR but appreciate Sections 1 & 2 had been reviewed and approved by the council in advance of my second visit.

It has been a pleasure to undertake the internal audit for Melbourn Parish Council this year, records are well kept and it is pleasing to see a staff team so supportive of each other.

Finally, if you have any questions relating to my covering letter or the accompanying IA report, please do not hesitate to contact me.

Yours faithfully



**V Taylor PSLCC**  
Internal Auditor



# Internal Audit Checklist ‘Year End 2023/24’

Name of Authority: .....Melbourn Parish Council .....

Date of Audit: 20<sup>th</sup> March & 5<sup>th</sup> June 2024

Audit Completed by: .....Libby White & Victoria Taylor.....

## Governance & Procedure

### Legislation

| Process                                    | Notes/Action to be Taken  |
|--|---|
| <b>Standing Orders</b>                     | 2018 NALC Model with 2022 update – adopted Nov 2022. Document has 12-month review date but doesn’t appear to have been reviewed in Nov 23   |
| <b>Financial Regulations</b>               | 2019 NALC Model – reviewed January 2024   |
| <b>Code of Conduct</b>                     | LGA 2020 Code – adopted 2021  |
| <b>Health &amp; Safety Policy</b>          | Suitable H&S policy – adopted Mar 23 with 12-month review date  |
| <b>Disciplinary Policy with Procedures</b> | Compliant policy – adopted Mar 23 with 2-year review date   |
| <b>Grievance Procedure</b>                 | Compliant policy – adopted Mar 23 with 2-year review date   |
| <b>Data Protection Policy</b>              | Compliant policy – adopted Nov 22 with 2-year review date   |
| <b>Publication Scheme</b>                  | Publication scheme based upon ICO template is available online.   |
| <b>ICO</b>                                 | Registration number ZA080261 (expires Oct 24)   |
| <b>Insurance</b>                           | Resolved Sept 23 (Oct renewal)<br>BHIB/Clear Councils<br>£10 million public liability cover<br><br>£250k fidelity guarantee limit<br>£10 million employer liability cover<br><br>Cover appears to be suitable for assets<br>Building valued in Sept 2021 (listed on asset register) |

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|  | £25,000 data breach response cover<br>Evidence of cyber cover not seen – being looked into |
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## Councillors and Ethical Framework

| Process  | Notes  |
|--|--|
| <b>Clr Declarations of Office</b>                        | Dec of acceptance of office for all councillors seen.<br>No declaration of office for chairman from May 23 – advised to sign at May meeting each year.   |
| <b>Register of Interests Current</b>                     | Links to all members ROI on SCDC website.<br>Evidence of annual review not seen<br>Advised to destroy when members leave   |
| <b>Evidence of Declarations of Interests at Meetings</b> | Clear evidence of interests being declared. Libby advised can do longer lasting forms if desired<br>No instances of pecuniary interest declaration seen but advised members should leave room in these cases.                        |
| <b>Dispensation Grant Policy</b>                         | Procedure document - adopted Jun 23 with a 12-month review date.   |
| <b>General Power of Competence (GPC)</b>                 | Using GPC– adopted May 23<br>Two thirds apply (election results checked) & Clerk status confirmed by Libby. Different Clerk in place when declaration made. Noted that minute does not include confirmation of eligibility criteria. |

## Agendas and Minutes

| Process  | Notes   |
|--|---|
| <b>Agendas</b>   |   |
| <b>Is there evidence that correct procedures are in place?</b> | Appropriate numbering commenced May 23<br>Three clear days’ notice evidenced.<br>Electronic signature by clerks<br>Location, time & summons evidenced<br>Separate agenda pack is produced |
| <b>Annual Meeting of Council</b>                               | Annual meeting held on 22 <sup>nd</sup> May 23<br>Election of Chairman was first item<br>GPC declaration noted  |
| <b>Annual Parish/Town Meeting</b>                              | APM held on 15 <sup>th</sup> May 23<br>APM agenda published with 7 days’ notice<br>APM called by Chairman   |
| <b>Matters Arising?</b>  | Matters Arising not used  |

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|--------------------|--|
| <b>Minutes</b>     |  |
| <b>Minute book</b> | <p>Advised not to double side minutes. Advised to put payments/bank rec in body of minutes. Minutes are clear. Talked about consistency of minute formatting. Noted that year is not always included in minutes (example - 15th Jan).</p> <p>Each page of minutes is signed. Noted that minutes should be signed at meeting approved. Advised to make amendments in pen at time of meeting.</p> <p>Resolutions are clear in minutes</p> <p>Minute items match agenda</p> <p>Decisions in sample comply with SOs</p> <p>Evidence of declaration of interest being made</p> <p>Minutes are concise and not verbatim</p> <p>Evidence of public participation</p> <p>Evidence of planning considerations in public meetings</p> <p>S137 not seen but council are using GPC</p> |

## Policies and Processes

| <b>Process</b>                    | <b>Notes</b>  |
|-----------------------------------|---|
| <b>Monitoring and Updating</b>    | <p>Ample evidence of regular policy reviews. Tracker document online, needs review. Need to implement policy review schedule to keep on track. Review information on policies could include minute the document was reviewed under.</p> <p>Advised some policies could be consolidated – possible employment policies into one handbook.</p>  |
| <b>Risk Management Policy</b>     | <p>Risk Management Policy review not seen in Annual Meeting minutes – advised needs actioning.</p> <p>Financial RA reviewed Nov 23 and General risk register reviewed Mar 23</p>  |
| <b>Asset Register</b>             | <p>Asset register on website dated to Mar 23. Has been reviewed by committee before going to FC in Mar 24</p> <p>Audit figures included as well as insurance values for buildings. Further insurance figures will be added when moved to Rialtas.</p>   |
| <b>Data Protection &amp; GDPR</b> | <p>Both clerks require GDPR training. Advised CAPALC can offer.</p> <p>Some members had GDPR training from other sources but not council specific.</p> <p>DPO appointed through CAPALC membership</p> <p>Noted personal information is stored in locked cabinets and on computers with password protection</p> <p>SARR in place</p> <p>Advised to put log of data breaches in place</p> <p>Privacy notice is online but not known when it was reviewed, advised to review ASAP and include date of review.</p> <p>ROPA in place</p> |
| <b>Management of Information</b>  | <p>Record management and retention policy in place – adopted June 2021. Does not appear to have been reviewed in June 23 as document review requires.</p> <p>Shredder present for destruction of documents and advised to destroy anything no longer required.</p>  |
| <b>Email Addresses</b>            | <p>Clerks/staff all have council specific email address</p> <p>Cllrs all have council specific email address</p> <p>.gov.uk in place for all including website</p> <p>Contact details for staff and members on website</p>  |

Privacy noted in footer of emails  
Advised re web accessibility. Some flags when website run through Wave accessibility tracker.

## Risk Management

| Process  | Notes   |
|--|---|
| <b>Unusual Financial Activity</b>              | As previously noted, payment list should be included within minutes.<br>PCN grant money is being held by council which is inadvisable. Memorandum of Understanding seen and Libby/Tor seeking advice on the set up.<br><br>Rest of sample aligns with financial regulations and proper practices. |
| <b>Risk Assessments</b>                        | Risk Management policy needs urgent review  |
| <b>Annual Assessment of Current Procedures</b> | As above, review of risk management processes is required.  |

## Employment

| Process            | Notes   |
|--------------------|---|
| <b>Clerk</b>       | NALC contracts in place for staff<br>All relatively new staff. Clerks began Apr 23.<br>JD reviewed at recruitment<br>Performance reviews undertaken in Jan 23 and JDs reviewed as part of this<br>Salaries reviewed in Nov with national agreement implemented. ILCA uplift also implemented. Advised to “report” contractual uplifts to council. No resolution is required.<br>NOW pensions scheme in place.<br>Registered with Pensions Regulator |
| <b>Payroll</b>     | Spot check of HMRC payments undertaken<br>Council runs its own payroll using SAGE   |
| <b>Other Staff</b> | There are 6 members of staff, a mixture of full and part time, and employment contracts are in place for all.   |

## Finance

| Process        | Notes  |
|----------------|--|
| <b>Precept</b> | 23/24 Precept was £314,890 – it would be helpful to list precept figure in minutes for clarity.<br>Comprehensive budget features within agenda pack but advised it should be listed separately on website once approved.<br>23/24 Precept resolved by Full Council 16 <sup>th</sup> Jan 2023 |
|                | As above, budget available online in agenda information but should also be published separately online.  |

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|-------------------|--|
| <b>Budget</b>     | Budget is contained within agenda pack of FC 16 <sup>th</sup> Jan 2023 but no specific resolution to approve seen.<br>No s137 allocation on budget but using GPC<br>Budget appear to be reflective of assets<br>Regular budgetary reporting evident in minutes<br>Minutes evidence quotes being sought/considered  |
| <b>Reserves</b>   | £238,000 General Reserves – in line with recommendation of 3-12 months precept.<br>£340,000 earmarked reserves held and justified<br>Investment options discussed.<br>Clear evidence of EMR's being current. PCN money contained within S106, advised to separate.   |
| <b>Bank</b>       | Bank reconciliation noted monthly within minutes<br>Sample of bank recs checked.   |
| <b>Cashbook</b>   | Council currently uses EDGE but moving to Rialtas in Jun 24<br>Electronic cashbook up to date<br>All payments within sample were properly authorised and supported with invoices/receipts.<br><br>All income in sample was properly recorded<br><br>Invoicing done by Clerks. Invoices done on Word and fees checked to match current rates.<br><br>Receipts not sent unless cash. Then handwritten. |
| <b>S137</b>       | Council not using S137 as have GPC   |
| <b>Petty Cash</b> | £45 petty cash in place but aiming to remove petty cash as there is a pre-paid debit card in place.  |
| <b>Purchases</b>  | Sample test undertaken which evidence purchasing being undertaken in accordance with financial regulations and proper practices.   |
| <b>VAT</b>        | Council is not VAT registered. Quarterly 126 Form claims being made.<br>VAT income noted on bank statement inspection.   |

## Engaging Contractors

| <b>Process</b>    | <b>Notes</b>  |
|-------------------|---|
| <b>Best Value</b> | Minutes evidence multiple quotes when engaging contractors.<br>The grounds maintenance contract expires in June 24 and plans are already in place to go to tender (including Contract Finder)<br>No evidence seen of Cllrs undertaking work for the council |
| <b>Contractor</b> | All regular contractors have PL in place, and this is sought at time of tender. Advised to do seek this when appointing one-off contracts too.<br>Qualifications and H & S requirements are all checked at the time of appointment.                         |

## Services

### Burial Authority Yes/No

| Process                  | Notes   |
|--------------------------|---|
| <b>Burial Records</b>    | The authority is responsible for two cemeteries, Orchard Road and New Road. Edge Epitaph cemetery management software is used.<br>Burial books checked, including Ex Rights – all in good order.<br>No reserved plots   |
| <b>Processes</b>         | The two Clerks share responsibility for cemetery matters and burial arrangements.<br>The council does not offer a grave digging service and funeral directors are required to arrange this themselves.<br>Green forms records checked.<br>Memorial approvals sampled and all in order<br>Advised that periodic inspections should take place to ensure all memorials are safe. These inspections should be recorded.<br>Clerks have both received ICCM training<br>Maintenance is part of grounds maintenance provision |
| <b>Closed Churchyard</b> | The authority is responsible for a closed cemetery  |

### Playground Yes/No

| Process                 | Notes   |
|-------------------------|---|
| <b>Playground/LEAPs</b> | The council currently has two playgrounds and an annual ROSPA inspection takes place.<br>Visual inspections are also conducted by wardens – Advised to check when they last attended training for undertaking visual inspections.<br>Confirmed that LA have adequate PL insurance<br><br>Risk Management processes for play areas to be reviewed.<br>Play equipment is included on asset register<br>Insurance includes play equipment cover<br>Visual inspection sheets are filed with office and reviewed in maintenance meeting.<br>Budget includes maintenance provision for play equipment |

### Allotments Yes/No

| Process           | Notes                         |
|-------------------|-------------------------------|
| <b>Allotments</b> | Tenants are invoiced on Edge. |



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|  | Insurance in place for allotments<br>Payment is made ideally by BACS. Cheques and cash are also accepted. |
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## Defibrillators Yes/~~No~~

| Process               | Notes   |
|-----------------------|---|
| <b>Defibrillators</b> | The authority has two defibrillators, one at the pavilion and another at the doctors surgery.<br>Both are registered on the Circuit and notifications are received when they are used/pads are needed etc.<br>Wardens undertake weekly checks. Advised that these should be recorded.<br>The defib at the Hub is managed by the Hub management group. |

## AGAR

In order to be able to sign off the AGAR the following processes need to be checked and notes made where appropriate. Some areas refer back to the checks completed earlier in the internal audit process:

| AGAR Box | Process   | Notes   |
|----------|---|---|
| <b>A</b> | Appropriate Accounting Records have been kept throughout the year.                                    | Sample check undertaken and all appears to be in good order.<br>Bank recs are filed and signed for all council bank accounts.<br>Checked year end bank rec tallies to AGAR box 8<br>Checked PWLB matches box 10   |
| <b>I</b> | Periodic bank reconciliations were properly carried out during the year<br><i>(Para 5.10 to 5.23)</i> | Balances:<br>£83,195.27 – Unity<br>£179,609.64 – Unity Deposit<br>£85,000 – CCLA<br>£31,270.27 – Charity Bank<br>£120,535.82 – Nationwide Business Saver<br>£0 – HTB<br>£60,000 – Cambs & County<br><br>Prepaid debit card and small petty cash make up the difference. |

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|-----------------|--|--|
| <p><b>B</b></p> | <p>The Authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for<br/><i>(Para 5.39 to 5.47)</i></p> | <p>Vat sample checked and in order</p>   |
| <p><b>C</b></p> | <p>The Authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these<br/><i>(Para 5.84 to 5.93)</i></p>                               | <p>Risk Assessment review due but was done in March 2023.<br/>Plenty of risk assessments in place<br/>Internal controls have been reviewed<br/>Effectiveness of internal audit also reviewed.<br/>Financial risk assessment reviewed in Jan 24</p> |
| <p><b>D</b></p> | <p>The Precept resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate<br/><i>(Para 5.24 to 5.27)</i></p>                       | <p>Precept resulted from suitable budget document<br/>Comparative budget report is made monthly to council.<br/>Maintenance committee also receive monthly report to their specific areas.</p>   |
| <p><b>E</b></p> | <p>Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT appropriately accounted for<br/><i>(Para 5.46 to 5.47)</i></p>                            | <p>Income in sample found to be in compliance with Proper Practices.</p>   |

|          |   |   |
|----------|---|---|
| <b>F</b> | <p>Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for<br/><i>(Para 5.44)</i></p>  | <p>Petty Cash of £45 is in place until switch to Rialtus which the authority hopes will take place Summer 24.</p>   |
| <b>G</b> | <p>Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied<br/><i>(Para 5.48 to 5.51)</i></p>  | <p>Records checked including payments to HMRC – all in order</p>  |
| <b>H</b> | <p>Asset and investment registers were complete and accurate and properly maintained.<br/><i>(Para 5.56 to 5.66)</i><br/>This section / assurance should be extended to include loans to or by the authority<br/><i>(Para 5.67)</i></p> | <p>Asset register in order but, as discussed above, insurance figures should be added.</p>  |
| <b>J</b> | <p>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an</p>  | <p>Accounts are correctly prepared on an I &amp; E basis<br/>Accounting statement figures are supported by cashbook<br/>Checked creditors and debtors for 23/24</p> |

|          |   |   |
|----------|---|---|
|          | adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded<br><i>(Para 5.120 to 5.199)</i>  |   |
| <b>K</b> | If the Authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt<br><i>(Para 5.200 to 5.204)</i> | The authority had a Limited Assurance review for 22/23  |
| <b>L</b> | The Authority publishes information on a website/web page, and complies with the relevant Transparency Code<br><i>(Para 5.71 to 5.74)</i>   | All present but the Expenditure exceeding £500 requires updating  |
| <b>M</b> | The Authority has, during the previous year, correctly provided for the period for the exercise of public rights as required<br><i>(Para 5.75 to 5.83)</i>  | The authority correctly provided for the provision of public rights in 22/23<br>Advised to minute public rights dates for coming year |
| <b>N</b> | The Authority complied with the publication requirements for the prior year AGAR  | The authority complied with the publication requirements for the 22/23 AGAR   |
| <b>O</b> | Trust Funds (including charitable) – the Council has met its responsibilities as a trustee<br><i>(Para 5.105 to 5.115)</i>  | N/A   |