

Lower Winterborne Parish Council Audit – 2021/22

Summary of Audit Checklist Recommendations:

Recommendation 1:

That the payments made between invoice ref: 21/40 and 21/52 are added as an addendum to the minutes of the July meeting.

The list of payments is included in the payment schedule and would have been presented to the Councillors, however it is not part of the minutes and therefore the corporate record for payments made is incomplete. An addendum to the minutes should be created and attached to the minutes of the July 2021 meeting (with a note explaining what this had been added and at which Parish Council meeting this addition was approved e.g.: June 2022. This should then be cross-referenced in the next available set of minutes (June 22) to explain that an addendum was added to the July 21 minutes following the internal audit report so that the thread can be traced either way if required. The minutes on the website for July 21 should also be updated.

Recommendation 2:

That a correct set of minutes for January are included in the signed minutes file. The signed copies in the file are missing BACS 082, however this is showing on the website text. There may be other information missing from the tops of other pages.

The signed minutes are the corporate record of the work of the Council and as the website minutes are just a text copy rather than a scanned copy (with signature) it is easy for them to be amended. Therefore the most accurate record of what was agreed remains the signed minutes.

Recommendation 3:

That the entries in the cashbook and bank that do not match are rectified. The two have a net effect of £0 on the cashbook but require attention as they are not supported by the paper invoices.

- 1) Clerks Salary payment 18/4/21
Bank Payment = £468.32
Cashbook BACS004 = £468.82
Minutes 21.126 = £468.32
Invoice 21/04 = £468.32

- 2) Clerks Salary payment 16/6/21
Bank Payment = £476.81
Cashbook BACS023 = £476.31
Minutes 22.028 = £476.31
Invoice 21/26 = £476.31

The two amounts paid into the bank do equal the entries on the cashbook, but not those minuted backed up by the paper invoices.

Total bank payment made:	£945.13
Total Cashbook entries	£945.13
Total Minute entries	£944.63
Total invoice evidence	£944.63

Whilst a difference of 50p either way is not material this is more about the wider implementation of processes and procedures.

The bank payments should ALWAYS equal the invoice evidence with no exception. If the invoice is wrong then a replacement should be sought before payment is made. There is a risk that if the payments are not being checked against the invoice before payment that mistakes could be made and the council may be out of pocket. This is also a fraud risk, and whilst I find no evidence that this is the case, the councillors authorising payment need to ensure that they are paying only what is valid and accurate expenditure.

Recommendation 4:

That the minutes for March 22 are amended to show the payment to HMRC was £16.40.

The cashbook shows this amount correctly as £16.40 however the minutes state that the payment was for £16.04. This is just a clerical error as the evidence supports the payment made in the cashbook and bank.

Recommendation 5:

All income as well as expenditure should be included in the minutes.

It is important that ALL financial transactions, income and expenditure are reported in the minutes. Whilst the income does not need to be 'approved' it still needs to be noted to show that the Councillors are aware of where funds are coming from into the Parish Council accounts.

Recommendation 6:

That when quotes are received, they are kept in the audit file and explicitly minuted when decisions are made.

When a decision to spend money is made after quotes are requested the Parish Council should, in the interest of transparency, list the quotes provided and the reason why they chose the one they did. The notice board purchase this year is an example, quotes were received and considered and a supplier chosen, however the amounts presented by the other providers were not listed.

If the Council feels like corporate confidentiality would be breached, they could minute that Quote 1 = £200, Quote 2 = £300 Quote 3 = £400 providing that these 'anonymising' names are placed on the actual quotes in the file so the golden thread is maintained for audit. They should also state the reason why (as with the notice board decision) they chose the supplier. The Council should then state that if anyone requires more details regarding the quotes received, they can contact the Clerk, who can give whatever information is required and needs to be produced within the ICO/GDPR rules.

Recommendation 7:

That the cashbook be amended to show the VAT element on the two invoices 21/09 and 21/109 where it has not been accounted for

The entry for the HUB burglar alarm (British Telecom) for £37.20 is showing VAT on the invoice but not on the cashbook. Similar entries in the cashbook for the same service e.g.: 21/35 are showing VAT claimed.

The entry for Water2business for the Cemetery and Hub water usage for £313.67 is showing VAT on the invoice but not on the cashbook. Similar entries in the cashbook for the same service e.g.: 21/51 are showing VAT claimed.

Recommendation 8:

That the Parish Council ensures that whoever carries out the monitoring of the play areas and open spaces has the appropriate training and accreditation.

The details of the inspector/inspection team (even if this is an accredited Councillor) should be added to the Risk Assessment to acknowledge that someone has responsibility for this specific area.

Recommendation 9:

That the internal audit report is issued to the Council and recommendations minuted and agreed.

The internal audit report needs to be acknowledged by the Parish Council and recorded in the minutes. The Council also needs to consider any recommendations made and record a response as to how they will rectify them before the next audit.

Recommendation 10:

That leases or contracts relating to land or buildings owned by the Parish Council are included in the file, so that the audit can check that the correct income is being collected.

A lease or contract should be issued for the use of any of the Parish Council assets by a third party. The Hub will have its own booking form and contract; however, the rental of any other asset should be covered by a lease agreement or contract. Alternatively, if a number of different people are likely to book the asset, then a booking form should be created for that purpose.

Recommendation 11:

That a copy of the Clerks contract be placed in the audit file

This is so that the SCP rate and hours can be confirmed against the payments made.

Recommendation 12:

That a more comprehensive asset register is created which covers all of the requirements in the audit test.

The asset register should include the following:

The asset name

The purchase or gifted price

The replacement cost – and column to show when this cost was last reviewed

The insured for figure – and column to show when this cost was last reviewed and updated.

The status of the asset, to show if it has been added or disposed of in a particular year

Recommendation 13:

That the declaration of the public inspection period is declared and minuted when the AGAR is signed.

This is to ensure that there is a public corporate record of the correct notice given. Audit notices can be destroyed along with the financial records after 7 years, but the minutes remain as an historical record.

Paula Harding
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