



RESPONSES AND PLANS BY THE COUNCIL FOLLOWING THE INTERNAL AUDIT IN APRIL 2021

31 May 2021

Point 1 *Opening Balances are entered into the cashbook to ensure that it is up to date and records the Council's cash position*

The Council uses receipts and payment records rather than the traditional single cashbook. The opening cash position is clearly shown on financial reports in the bank reconciliation. The monthly cash position of the Council is clearly detailed in the bank reconciliation as it shows the bank balance position against the income and receipt reports position. Thus, not only does the full financial report show the cash position of the Council every month but also links to the budget positions.

While the Council can understand that the cash balances could be included in the actual receipt and payments cashbooks, as it is clearly detailed in the financial reports it is felt not needed in the cash book as well.

Responsibility: RFO to advise the Council of the current set up and ask for a review if considered not suitable

Timescale: Within 2-3 months.

Point 2 *Invoices from Peninsula Business Services are recorded correctly in the cashbook against the total amount and any applicable VAT corresponds to the invoice*

There was a query on the VAT applicable to the invoice as included insurance tax. This has now been amended, both for the 2020/21 accounts and will also be amended for the 2021/22 accounts

Responsibility: RFO amend the data on the reports

Timescale: Already completed

Point 3 *That the salary and expenses are recorded accurately to the correct expense code in the cashbook in regard to November and December 2020*

This was an initial issue of the payments upon the commencement of the Clerk and how they were recorded. This will now be amended.

Responsibility: RFO amend the data on the reports

Timescale: Already completed



Point 4 *Council adopts the Standing Orders based on the NALC model and tailors these to the Council's requirements. Any financial requirements contained within the standing orders must correspond to the Financial Regulations*

The Council are scheduled to review all the policies and the standing orders in late 2021 – as part of the reviews the Council will ensure that the recommended adoptions are brought into the review to ensure full compliance.

Responsibility: The Clerk initially and then the Full Council

Timescale: During the period of late 2021

Point 5 *That the Financial Regulations are reviewed against the NALC model and tailored to the Council's requirements that best practice and statutory requirement clauses are retained from the NALC model*

The Council are scheduled to review all the policies and the standing orders in late 2021 – as part of the reviews the Council will ensure that the recommended adoptions are brought into the review to ensure full compliance.

Responsibility: The Clerk initially and then the Full Council

Timescale: During the period of late 2021

Point 6 *A suitably designed accounts authorisation stamp should be used for all invoices, providing evidence as checks as required by the Council's financial regulations*

The Council will consider a digital stamp rather than a physical one – there will be fewer physical invoices and more emailed / scanned invoices.

Responsibility: The Clerk to recommend the system and then the Full Council to agree

Timescale: 2-3 months

Point 7 *That the VAT is reclaimed from the ACS value of £10 and ERYC value of £49.74 and the cashbook is updated to reflect the breakdown of the net and VAT elements*

These VAT reclaiming amounts on the mentioned invoices will be added to the VAT reclaim submission that is anticipated to be submitted in September 2021.

Responsibility: The RFO

Timescale: Anticipated in September 2021



Point 8 *A Corporate Risk Assessment (CRA) Policy is introduced and adopted by the Council to cover all financial and reputational risks that the Council are exposed to*

The Council recognises that a CRA Policy is appropriate and will be discussed, developed and agreed with an estimated timeframe of 2-3 months.

Responsibility: The Clerk initially and then the Full Council

Timescale: Anticipated that the work will be initially undertaken in 2-3 months by the Clerk but then formally discussed in late Summer.

Point 9 *The Council follows the guidance in page 34 of the Practitioners Guide in regard to preparing the budget*

When the Council start to review the budget for the current year in preparation for the budget discussion for the year of 2022/23, the Council will ensure that the guidance as mentioned is followed and used as a basis for the budget agreement and thus Precept proposed.

Responsibility: The RFO initially and then the Full Council

Timescale: It will initially be discussed in November 2021 with an anticipated full agreement in early January 2022.

Point 10 *That the Council's reserves are increased to cover 12 months of net revenue expenditure*

If this recommendation was followed the Council should have reserves of £10,000 as that is the revenue budget for 2021/22. The NALC recommended reserves are for six months of the Precept – which for 2021/22 would mean that the Council's reserves are circa £5,000. At the present (May 2021) the Council have reserves of circa £10,000 but £8,500 has been scheduled for the external audit cost. As the Council started the 2020/21 with virtually no reserves, the Council feel it will take 3-4 years as a minimum to build suitable reserves (if the external audit investigation costs are as anticipated).

Responsibility: The RFO to make a recommendation when the full cost of the external investigation is known and then the Full Council

Timescale: The Council hope that the external audit investigation is known within a few months



Point 11

That the SCP Salary Point is documented in a confidential note with a reference in the public council minutes of the meeting that approves the salary.

The salary of the clerk was discussed at an EOM in April 2021 while the Council discussed the completion of the probation of the Clerk. The Council decided to raise the salary point of the Clerk to point 12 of the NJC as a recognition of the work and reforms of the Council he had undertaken.

Responsibility: The Full Council

Timescale: Already completed

Point 12

That overtime sheets are signed off by the Chairman and retained on file for audit purposes.

The Council will always ensure the overtime, expenses and salary claim of the Clerk are always signed by the Chair. The Council is looking to invest in a digital signature software which will make the signing of the forms more straightforward.

Responsibility: The Clerk and the Chair

Timescale: Continual during the year

Point 13

That the Asset Register includes a column for replacement value.

Due to the pandemic and the need to minimise travel, the review of each asset on the asset register has not taken place. Thus, the Council had to take the details as at the end of 2019/20 as the carried forward details. The Council have planned a full review of the assets the Council holds in particular the value and replacement value which then will tie into the up to date asset register.

The aim is to get this done when the full social restrictions have been removed – hopefully the asset review will be done by September 2021.

Responsibility: The RFO

Timescale: During the summer of 2021

Point 14

That the council ensures that there is a breakdown of variances in the asset register to support the changes over the year.

As part of the asset review project as described in Point 13, the variances of value from 2020 to present as well as any new assets such as the refurbished telephone box as well as clerk infrastructure items that need replacing.

Responsibility: The RFO

Timescale: During the summer of 2021



Spaldington Parish Council



.....at the heart of the Community, for the benefit of the Community.....

Point 15 *That the assets are checked to verify their physical existence.*

This point is responded in points 13 and 14.

Responsibility: The Clerk initially when pandemic restrictions allow and then the Full Council

Timescale: During the summer of 2021

Point 16 *That the AGAR accounting statements are reviewed again by the RFO and corrected. See practitioners guide 2021 (from page 16-19)*

The RFO and the Council will review the document as required.

Responsibility: The RFO

Timescale: Over the next month but before public publication

Point 17 *That a transparency page is set-up on the website to include the publication of the items of the transparency code and with internal web-links to where the information can be sourced from within other areas of the website. The published data for payments above £100.00 should include: a. date the expenditure was incurred, b. summary of the purpose of the expenditure, c. amount, and d. Value Added Tax that cannot be recovered*

As from April 2021, the financial reports that the Councillors receive will be publicised on the Council's website (with any confidential detail redacted). This will include not only the items recommended by the IA, but all financial operational detail. This will then allow total transparency of the financial transactions the Council has agreed to incur.

Responsibility: The RFO and the Council for review

Timescale: The response action has already been put into place

