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Mrs B Cornish
Clerk to Downton Parish Council
West View
Slab Lane
DOWNTON, WILTS.
SP5 3PS

Dear Mrs Cornish,

Downton Parish Council 2020/21, 3/4 Year Audit

I have now completed the Internal Audit for the Council as at **31/12/20**, & am pleased to report that the Financial, internal control procedures are adequate to meet the needs of the AGAR Practitioner’s Guide 2020 and the Accounts & Audit Regulations 2015 (as amended). However, some other aspects give cause for concern, & details are noted in the attached recommendations.

A series of test checks on the Council’s financial records, vouchers, documents, minutes, policies, insurance & assets register were done to ascertain efficiency & effectiveness of the Council’s systems. This was especially important for 2020/21, as the Council has had to address the impact of Covid-19, resulting in a review of current processes & procedures, including remote, virtual meetings.

The attached Audit recommendations will only enhance the current processes and procedures. This report should be noted & taken to the next meeting of the Council for discussion & formal minuting. I confirm that the final 2020/21 audit, including the AGAR, is set for **17/6/21**. I attach invoice 20/078 for the ¾ audit, as agreed.

I would like to thank you for your help in enabling the audit to be performed remotely due to Covid-19 restrictions. I look forward to receiving the Council’s response in due course.

Yours sincerely

PAUL REYNOLDS, FMAAT



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Audit Recommendations

1. I am pleased to report that the Composite Cashbook for the three Accounts held by the Council, has been fully agreed to the Bank reconciliations at an overall total of **£125,719.55**, as at 31/12/20.
2. VAT of **£5,263.46** is due for refund from HMRC at Year-end, along with any VAT due for Qtr 4. **Recommend** that quarterly VAT claims might assist the Council's regular cashflow.
3. Two PWLB loan repayments for 2020/21 (total £18,203.04) made.
4. Overall Precept of £114,865.04 was fully received in 2 tranches.
5. I confirm the Asset register need for serial nos. of all IT equipment & any other electrical items. This provides the necessary data for AXA Insurance should any claims arise for these items.
6. **Recommend** that any new assets (eg. WW2 seat, In Bloom Planters, SID, Defibrillator etc) be noted on the Asset Register at cost price (ie. **not** incl.VAT) ready for the AGAR.
7. Current insurance policy (RGBDX6962034) is held with AXA (via Came & Co.) from 1/10/20, which covers the standard Local Council aspects. **Recommend** that Cyber cover is reviewed, as malware attacks are now becoming more commonplace on Local Councils.
8. **Recommend** that Delegated powers to the Clerk to cover Covid-19 issues will need periodic review ensuring they are adequate for any changes in Govt. advice & legislation, including continuance of remote meetings beyond the present deadline 6 May 2021. This is currently being hotly pursued by NALC & SLCC with the MHCLG.
9. All minutes should still be regularly signed, within the Covid-19 arrangements, thus ensuring any decisions taken become lawful.
10. Earmarked Reserves are regularly reviewed by the External Auditor as part of the AGAR process. The largest proportion of the present Reserves is £25,000 held for Staff Pension matter. **Recommend** that it may be prudent to decide speedily on this Reserve, as it could be queried by PKF Littlejohn at year-end, as still being unresolved. This is also reiterated in the Council's General Reserves Policy 2.2 that states "their level should be subject to annual review & justification."

11. On perusal of the Council minutes, no permanent Chair or Vice Chair was elected at the Annual Council meeting on 11 May 2020. This contravenes the Council's own Standing Orders 5 (e -j) dated May 2019, which are based on the NALC Model Standing Orders & the Local Govt. Act 1972. Whilst this cannot be rectified for the 2020/21 year, it is **strongly recommended** that the Council elect a permanent Chair & Vice Chair for 2021/22. This will provide better continuity & common direction for the Council instead of a 'Rotating Chairship' each month.
12. The appointment of a Locum Clerk (pre-checked by SLCC) was approved at Council meeting on 11 January 2021. (Min.266.20) with a budget of £2,000. (Invoice dated 31 January 2021 for £500). This was to act as the Clerk for meetings of the Parish Council during the Clerk's 'short period of absence' referred to in Minute 278.20 (Delegations to Administrative Officer). This raises 4 issues for concern>
 - (a) Why did the Administrative Officer not deputise at meetings for the Clerk during her short absence, as clearly stated in that post's job description. This action would have saved the total cost of employing a Locum Clerk?
 - (b) As the Locum Clerk's employ started on 19 January 2021, why didn't she take the minutes for the Council meeting on 25 January 2021? (only dealing with the Staffing Committee on 29 January) This being normally the main role of a Locum Clerk & is clearly detailed in Item 2 of the Council's Risk Assessment for contracting a Locum Clerk.
 - (c) The invoice of £500 is for 20hrs, but this includes 8.5 hrs for drafting Policies for the Council, not normally included in a Locum role, especially if the Clerk is only 'absent for a short period'. This activity was not detailed in the Council's Risk Assessment for contracting a Locum Clerk. Why could these items not have been left until the experienced, qualified Clerk returned to work?
 - (d) An email from Came & Co (Gallaghers); the Council's Insurance Broker; on 26 February 2021 clearly states that the Locum Clerk is not insured under the Council's policy. It also states, that it would be prudent to ensure that the individual possesses full Professional Indemnity and Public Liability policies to carry out this role. Was this ever confirmed by the Council before the Locum Clerk started work for the Council?