

## **Lambourn Parish Council**

*Internal Audit Report 2019-20 (Final update)*

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## **Background**

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2019-20 financial year, during our initial visit to the Council, which took place on 9<sup>th</sup> November 2019. Due to the impact of the Covid-19 pandemic, we have of necessity undertaken our final review for the year remotely: we wish to thank the Clerk in assisting the process, providing all necessary additional (to that examined at our interim visit) documentation in electronic format to facilitate completion of our review for the year and sign off of the Internal Audit Certificate in the year's AGAR. We have, obviously in the circumstances, reduced the volume of transactions examined, whilst still ensuring governance and financial controls remain effective.

## **Internal Audit Approach**

In conducting our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover is designed to afford appropriate assurance that the Council has appropriate and robust financial systems in place that operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' as part of the Council's AGAR process, which requires independent assurance over a number of internal control objectives.

We discussed with the Clerk and Chairman during the course of our interim visit the current status on recommendations raised in our 2018-19 report noting that, whilst a number have been addressed, a few still remain to be actioned. Where applicable, they are consequently restated in this final update report for 2019-20.

We also note that, other than acknowledging the negative assurances recorded by the Council in the 2018-19 AGAR's Governance Statement, the external auditors have highlighted the need for the Council to take appropriate action to implement the recommendations set out in the 2018-19 detailed Internal Audit Report.

## **Overall Conclusion**

We have concluded that, based on our planned programme of work, the Council is maintaining generally adequate and effective internal control arrangements, although, as in previous years, we have identified a few areas where controls require further enhancement to ensure compliance not only with best practice, but also with national and the Council's own legislative and governance requirements.

Based on the generally satisfactory conclusions drawn from this year's review, we have duly signed off the IA Certificate in the year's AGAR assigning positive assurances in each relevant area.

# Detailed Report

## Accounting Records and Bank Reconciliations

The Council uses the RBS Rialtas Alpha accounts software to maintain its accounting records, with separate cashbooks for the Barclays Current, Santander, Newbury Building Society and the Community Savings and Loan accounts.

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have, consequently: -

- Verified that an appropriate cost centre and nominal coding structure remains in place
- Agreed the opening Alpha accounts detail in 2019-20 to the closing Financial Statements / certified AGAR for 2018-19
- Checked and agreed all cashbook transactions (due to their relatively low volume) for the full financial year on all accounts to supporting bank statements
- Checked and agreed the software-based bank reconciliations, as at 31<sup>st</sup> October 2019 on the Barclays account, and latest (at the time of our interim review visit) completed reconciliations on the other accounts: we have now also verified the accuracy of reconciliations for all accounts as at 31<sup>st</sup> March 2020, with only one long-standing, uncleared cheque dating from October 2019 uncleared through the bank account and other abnormal entries arising, and
- Verified the accurate disclosure of the combined cash at bank balances in the year's AGAR.

### *Conclusions and recommendations*

*We noted at our interim visit in checking detail of the year to that date's Current account transactions, that the month-end reconciliations prepared during the year included a few anomalous / balancing entries that were corrected in the cashbook in the next month. Whilst we are pleased to note that a nominated councillor has signed-off and dated each month's reconciliation, this was not undertaken until early December 2019, contrary to the requirements of the Council's adopted Financial Regulations (FRs - Para 2.2 refers).*

*The reconciliations to 31<sup>st</sup> October 2019 also included several uncleared cheques drawn in favour of the caretaker, together with four others drawn in favour of the relief caretaker. Were the reconciliations being checked routinely, as required by the above FRs, we would have anticipated that the checker would have queried the status of these cheques, together with the other anomalies on one or two of the intervening months. We are pleased to note that these have been "cleared" by the close of year with only the one relatively long-standing uncleared cheque remaining at the financial year-end.*

*The reconciliations also bear no evidence that the checker has verified either the accuracy of the bank or cashbook balances, as recorded on each reconciliation. In fact, as the accounts system is permanently "live", once the reconciliation has been completed and further data entered, the cashbook balance will have also been updated. Consequently, we have suggested to the clerk that, as soon as the reconciliation is completed and printed, she also prints the*

***Trial Balance which will afford easy verification of each account's cashbook balance at the reconciliation date.***

- R1. *The clerk should print off the Trial Balance at each month-end before making any further data entries and file it with the bank reconciliation to provide confirmatory evidence of the cashbook balance, as recorded on the bank reconciliation at that date.*
- R2. *The nominated councillor checking bank reconciliations should undertake the review at least once quarterly, as required by the Council's approved Financial Regulations, also evidencing their verification of bank and cashbook balances, also formally recording any queries raised on the reconciliation's content.*

## **Review of Corporate Governance**

Our objective is to ensure that the Council has appropriate governance controls and documentation in place to assist in ensuring compliance with both national and local regulatory controls; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are reasonably able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation.

We note that the Council's Standing Orders (SOs) and Financial Regulations (FRs) have both been reviewed and re-adopted relatively recently, the SOs in December 2018 and FRs in November 2019: both are now broadly in line with the latest NALC model documents and include appropriate reference to the requirements of the 2015 EU / Public Contracts Regulations.

We have continued our examination of the minutes of Full Council and its extant Standing Committees reading those for the current financial year with no issues arising.

Whilst the Council is not legally obliged to observe the requirements of the Transparency Code 2015 as its annual turnover is in excess of £25,000, best practice indicates that it should consider the disclosure of many elements of the Code including, inter alia, the posting of minutes of full Council and Committee meetings, not just those of the full Council. Additionally, the Accounts and Audit Regulations as amended periodically, require councils to disclose various items of financial information including the external audit certified AGAR and Internal audit reports, neither of which we have been able to identify on the website.

We have reviewed the external audit certificate for 2018-19, noting, as indicated in the preface to this report, that the external auditors have identified the need for positive action to be taken to address various issues raised.

### ***Conclusions and recommendation***

***Whilst no significant issues arise in this area this year, as indicated above, the Council needs to review the content of its website to ensure compliance with the Accounts and Audit Regulations also, in line with best practice, ideally disclosing other information in line with the requirements of the Transparency Code.***

***Whilst we have seen no indication of such action in the current financial year, we remind the Council that, in accordance Para 10.4 of the adopted FRs, only the Clerk is empowered to seek quotations and place orders on behalf of the Council, albeit under members'***

*instruction. Members should not seek quotations themselves for any procurement, as such activity potentially leaves the Council open to unwarranted allegations of impropriety and / or predetermination. As members have not confirmed agreement with and future adherence to this requirement, we have reiterated our prior year recommendation.*

*We shall continue to review minutes and the Council's overall approach to governance issues at future visits*

*We also wish to draw the Clerk's attention to the changed rules as regards recording of Staff Cost expenditure in Box 4 of the AGAR which come into effect from the 2020-21 financial year: the JPAG Practitioner's Guide 2020 refers at Page 17.*

- R3. *Members should not be directly involved in the procurement process (Para 10.4 of the adopted Financial Regulations refers): following members' resolution, as minuted, to procure goods or services, the Clerk, not a member or members, should follow the Council's approved procurement process. Members should, however, deliberate and agree which contractor to appoint to deliver the goods or services, that decision being minuted formally.*
- R4. *The Council should ensure that financial detail, as required by the Accounts and Audit Regulations, is posted on the Council's website, also considering the disclosure of other information in line with best practice as outlined in the Transparency Code.*

## **Review of Expenditure**

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount
- The correct expense codes have been applied to invoices when processed, and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We examined the procedures in place for the approval and release of payments at our interim visit noting that two members review invoices when signing cheques (no payments are currently made by electronic means) and, together with the clerk, initial a certification slip attached to each invoice: we are pleased to note that the invoices themselves are also generally initialled by the two cheque signatories.

A fraud was perpetrated by a clerk at a south coast town a few years ago, where she wrote cheques in ink that could be erased subsequently and the payees' name changed to her own: with the invoices either not examined nor evidenced as being reviewed by members when signing the cheques, the clerk was resubmitting the same invoices for payment on one or more occasions and changing the payees name to her own. We do not wish to imply any impropriety as happening at Lambourn, but suggest that, as the current certification slips could become

detached from the invoices, a better solution would be to acquire and affix to every payment document, a suitably designed rubber certification stamp. Ideally the stamp should include the following detail: -

- ✓ Clerk's initials confirming receipt of goods / services and arithmetic accuracy of invoice;
- ✓ Cost Centre and nominal expense code(s) and date of posting to financial ledgers;
- ✓ Cheque or other payment reference (where applicable, Standing order and Direct Debit payments should be allocated consecutive reference numbers throughout the year to facilitate effective agreement to the specific supporting invoices);
- ✓ Initials of 2 members confirming their review and agreement of cheques, etc to invoices / payment vouchers for release.

We have extended our review of payments initially selecting a sample of 24 individual payments processed in the year to 30<sup>th</sup> November 2019 including all payments individually in excess of £1,000, together with a more random selection of every 15<sup>th</sup> transaction irrespective of value for the year. We have, as part of this final review, selected a further sample of 9 payments covering the remainder of the year including all those individually over £2,000 plus every 30<sup>th</sup> as listed in the Alpha cashbook. Our test sample now totals £114,300 and equates to 72% by value of all non-pay related payments in the financial year.

We also note that VAT recovery claims continue to be submitted generally at half yearly intervals, one having been prepared and submitted for the six months to 30<sup>th</sup> September and repaid by HMRC in November 2019. We have ensured that the residual reclaim covering the second half of the year totalling £9,440 has been correctly disclosed as a debtor in the year-end Statement of Accounts and AGAR.

### ***Conclusions and recommendation***

***Whilst no significant concerns arise in this area, as all payments in our test sample met the above criteria, we consider that, to further strengthen controls (and reduce the volume of paper in use), a suitably designed rubber certification stamp should be acquired and be affixed to every payment document.***

*R5. Consideration should be given to the acquisition of a suitably designed rubber certification stamp to be affixed to each invoice, thereby removing the need for preparation and retention of additional certification slips.*

## **Assessment and Management of Risk**

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

We are pleased to note from our examination of minutes and other documentation at this Final update visit that risk assessments using the LCRS software have been reviewed, updated and adopted formally by the Council at the July 2019 meeting.

The Council's insurance cover is provided by Zurich Municipal: we have examined the current year's schedule and note that Public and Employer's Liability cover are in place at £12 million and £10 million respectively, together with Fidelity Guarantee cover at £250,000 and Loss of

Revenue cover at £10,000 all of which we consider appropriate for the Council's present requirements.

We have discussed the Council's arrangements for the regular inspection of playgrounds and recreation areas with the Clerk, again noting that the Council has a formal Playgrounds Inspection Policy in place, also noting that the Clerk or Assistant Clerk undertake routine inspections throughout the year. We also note that an independent annual inspection is undertaken by the Play Inspection Company with members reviewing the output and agreeing appropriate remedial action.

### **Conclusions**

***We are pleased to report that no issues arise in this area this year warranting formal comment or recommendation.***

## **Precept Determination and Budgetary Control**

We aim in this area of our work to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an approved budget and formal determination of the annual precept; that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans.

We note that, following a detailed review of the Council's budgetary requirements for 2020-21, members agreed the year's budget formally adopting a precept of £144,140 at the full Council meeting held on 4<sup>th</sup> December 2019 with a further £52,000 to be taken from existing reserves, primarily to pay for the ongoing streetlight replacement scheme.

We are pleased to note that the Clerk produces quarterly management accounts and budget monitoring reports based on the Alpha software and have examined the year-end Alpha outturn position again seeking explanations for any significant variances existing.

In undertaking that review, we noted at our interim review that "gravedigging" costs appeared significantly over the target budget (now standing at 4,955.80 at the financial year-end against a budget of Zero): further examination of the detailed transaction report for the relevant nominal account code (# 2122) showed that grass cutting costs of £2,166.80 were incorrectly coded to this heading in June 2019. We suggested in our interim report that an appropriate journal adjustment should be made coding the grass cutting expenses to the relevant heading, which action has evidently not been taken.

We also noted that CIL income of £6,284 from W Berks DC had been coded to an expense code (# 4179) linked to Box 6 on the year's AGAR: as reported in the interim report this should have been re-coded by journal to an appropriate income code linked to Box 3 on the AGAR, which we also note has not been actioned. This miscoding has resulted in the understatement of both income and expenditure in the AGAR.

Finally, in this area, we note that detail of budgeted income has not been entered onto the Alpha accounting software for the year thereby affording members with no obvious means of comparing actual income against that "planned" in the year's budget. Whilst we appreciate that the nature of the Council's income streams means that part of it will vary from year to year: even so, we consider that a reasonable assessment of the likely income receivable in each area

should be identified and recorded on the Alpha accounts to provide a measure of actual recovery against the reasonable expectation of the amounts receivable.

### ***Conclusions and recommendations***

***Whilst there are no significant issues arising in this area in relation to spending against budget, the identified anomalies in coding expenditure and income should have been actioned prior to the year-end closedown of the Alpha accounts: care should be taken in future to ensure that the coding of income and expenditure in the accounting software is made accurately with members questioning any significant variances in evidence on the periodically presented budget reports, whilst also ensuring that income and expenditure are accurately reflected in the year's AGAR.***

***With regard to the receipt of CIL moneys, we noted that the year-end "unspent" balance of these funds £16,950.20 appears erroneously as a debtor balance on the year-end Trial Balance – it should be identified as an earmarked reserve specifically for CIL funds.***

***We have discussed the position with both the Clerk and software supplier who undertook the year-end closedown (also remotely) and following that discussion the 2019-20 Alpha accounts have been amended by the software supplier to record the £6,284 2019-20 CIL income as an income item rather than a negative expense in the accounts and, consequently, the AGAR. The unspent CIL balance of £16,950.20 has also been corrected and is now included as part of the total EMR balance in the Alpha Accounts and will now also be correctly reflected in the AGAR financial information. The Clerk will need to liaise with the software supplier to ensure that the Council's records are adjusted appropriately with the corrected detail rolled forward into the 2020-21 Alpha financial ledger.***

***We have also made previous reference to the need to formally identify detail of individual earmarked reserves in the Alpha accounts and reiterate our recommendation in that respect: the 2020-21 budget spreadsheet detail, as prepared, indicates the establishment of 12 earmarked reserves totalling in excess of £110,000 going into 2020-21. The year-end balance sheet records total reserves of £120,538 including EMR funds of £62,587 considerably below the intended level. Furthermore, were total funds of £110,000 earmarked for specific projects, the residual General Fund reserve would stand at approximately £10,000 which would equate to less than one month's revenue spending at the 2019-20 level.***

- R6. Action should have been taken to correct the apparent miscodings identified in the body of our interim report, also ensuring that the correct AGAR Box linking is applied: going forward, greater care is needed in the coding of receipts and payments ensuring their accurate allocation with members undertaking an effective review of budget reports querying any significant anomalies such as those identified..***
- R7. Detail of the Council's individual Earmarked Reserves, with specific and separate identification of the CIL money unspent balance, should be separately identified in the accounting software allocating each an individual nominal account code in the 320 series.***
- R8. The budgeted income for each financial year should be entered into the Alpha software to provide members with meaningful comparative date when reviewing the year's budget performance.***

## **Review of Income**

In considering the Council's income streams, we aim to ensure that robust systems are in place to ensure the identification of all income due to the Council from its various sources, to ensure that income is invoiced in a timely manner and that effective procedures are in place to pursue recovery of any outstanding monies due to the Council.

We note that the fees and charges pertaining to the Cemetery, Parish Hall and Market Rentals have been reviewed during the year in accordance with the Council's Financial Regulations.

We checked and verified all 8 burial register entries for the year to the date of our interim review visit to ensure that each was supported by appropriate interment application documents and burial / cremation certificates and that the correct fees and charges had been applied, recovered and banked in a timely manner.

We have, at this final review, reviewed bookings at the Hall during January by reference to the manuscript diary maintained and ensuring that for each booking an appropriately charged invoice has been raised and settled within a reasonable time frame. Whilst no issues arise in this respect, we suggest that, to further improve the audit trail, rather than just record the receipt as "Hall rental" when posting receipts to the cashbook, the invoice number should also be recorded with the "Hall rental" entry.

We have also, in conjunction with our budget performance review, and as far as we are reasonably able to, examined the nominal ledger, income code transaction reports for the financial year to ensure that there are no obvious coding errors or indications that income due has not been received omissions with no additional issues arising to those highlighted in the previous section of this report.

### ***Conclusions and recommendation***

***Whilst no significant concerns arise in this area, as indicated above, expanded detail identifying the invoice number should be recorded when entering hall hire receipts in the cashbook.***

*R9. To provide a clear audit trail the hall booking invoice number should also be identified when entering detail of the invoice settlement in the Alpha cashbook.*

## **Petty Cash and Debit Cards**

***The Council does not operate any petty cash account, any expenses incurred by staff or councillors being reimbursed through the normal trader payment process.***

## **Review of Staff Salaries**

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the requirements of HMRC legislation in relation to the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme (where applicable) as most recently updated from 1<sup>st</sup> April 2019 in relation to the employees' contribution bandings.

The payroll is produced “in-house” by the Clerk using HMRC PAYE Tools software. We have examined the procedures in place and physical payments made to staff by reference to the November 2019 payroll documentation, we have: -

- Ensured that the Council has approved employee pay rates for the financial year and that these have been duly and accurately applied
- Verified that appropriate PAYE tax codes and National Insurance tables are being applied for the year following the annual budgetary increases in personal allowances with effect from April 2019
- Noted that the Clerk and her Assistant contribute to the LGPS and have agreed the percentage deductions being applied
- Verified detail of the net salary payments by reference to payslips and subsequent bank account and cashbook entries, and
- Ensured that the Council is meeting the HMRC requirements in terms of appropriate on-line filing submissions.

### *Conclusions*

*No issues arise in this area, having noted at our interim review that, whilst time sheets are being “signed-off” by cheque signatories, they have indicated that they are unable to accurately or effectively verify the hours worked as accurate.*

*We wish to draw the Clerk’s attention to the changed rules as regards recording of Staff Cost expenditure in Box 4 of the AGAR which come into effect from the 2020-21 financial year: the JPAG Practitioner’s Guide 2020 refers at Page 17.*

## **Fixed Asset Registers**

The Governance and Accountability Manual requires all Councils to maintain a record of all assets owned and it is incumbent upon the Council to keep the Fixed Asset Register current and accurate. We note the existence of an appropriate register, that was, until 2018-19, subject to regular review and update to identify new acquisitions and disposals.

Consequently, we reported last year that, despite significant acquisitions and disposals in the year (e.g. disposal of old and acquisition of new street lighting, a new CCTV system and other sundry items), the Asset Register was not updated to reflect those changes resulting in the asset value reported in the 2018-19 AGAR remaining unchanged at £359,284.

We now note that the Chairman has, in conjunction with the Clerk and her Assistant, verified the existence of the recorded assets also creating a photographic record of each. However, the values assigned to the assets have been uplifted significantly to reflect market / replacement values: the register has been submitted to the Council with the assigned values been approved.

We discussed the revisions made to the register with the Chairman and Clerk at our interim review visit pointing out that, as far as reporting the financial value in the Council’s formal Accounts (i.e. the AGAR), the purchase cost (where known) or former AGAR value **must be reported**: [*the “Governance and Accountability Manual – The Practitioner’s Guide” stipulates that asset values should not be subjected to either depreciation or appreciation, being reported at a consistent value year after year, subject to change only in relation to the cost (net of VAT) of new acquisitions and disposals*].

We acknowledge the benefits of identifying the replacement value of assets in the asset register as well as their purchase cost and agreed with the Chairman at our interim visit that, despite the previous adoption of the updated register and assigned increased values, the register should reflect both the original (i.e. prior year AGAR value plus new acquisitions, less any disposals) and the restated / assessed replacement value. The Chairman agreed to rework the register detail to record both the purchase / previously assigned AGAR asset values and the replacement cost. We have also drawn attention to the requirement for “donated” assets to be valued for AGAR purposes at a nominal value of £1.

We are pleased to note that appropriate action has been taken with the prior year AGAR Asset value purely uplifted by £48,555 to reflect the cost of newly acquired streetlighting, etc.

### ***Conclusions and recommendation***

***The revised and adopted asset register should be further examined and revised to ensure that the original known purchase costs of assets, as recorded in prior year AGARs, together with the recently assessed replacement values are both reflected in the body of the register.***

*R.10 The Council should undertake a further review of the recently updated register ensuring compliance with the reporting requirements in the AGAR (the Governance and Accountability Manual refers) with both the assessed (per prior year AGAR) values and replacement costs recorded. The former should be used in completing the 2019-20 AGAR Box 9 disclosure adjusted to reflect any changes through acquisition of new / replacement of assets with the previously recorded values of any disposals deducted from the total value. **This has been actioned accordingly.***

## **Investment and Loans**

The Council holds surplus funds at the Newbury Building Society, Santander and Community Savings / Loan Accounts and are again pleased to note that the Council has an appropriate Investment Strategy in place. We note that no interest has been received to date in the current financial year, with some £900 received in 2018-19, that due on the above “investment” accounts being identified and accounted for at the financial year-end.

With approximately £70,000 sat in the Barclays current account at present, the Council does not appear to be maximising its interest earning potential. Whilst we cannot act as financial advisors, many of our clients have placed surplus funds in the CCLA Deposit Account and are generally earning a better rate of interest return than provided by other High Street banks.

The Council has no loans either repayable by it, or to it.

### ***Conclusions and recommendation***

***No significant matters arise in this area currently, although we consider that the Council could and should be achieving a better return on its surplus funds than it is currently.***

*R11. The Council should consider the placement of part of the excess funds held currently in the Barclays account to ensure that greater interest earning potential is achieved. **Members have determined to take no action in this respect.***

## Statement of Accounts and AGAR

The Accounts and Audit Regulations, as amended periodically, require all councils to prepare annually a Statement of Accounts, which is now embodied in the AGAR at Section 2, which is, together with the Annual Governance Statement at Section 1, subject to independent external audit examination and certification.

As part of our review process, we have examined the Council's procedures in relation to the identification of detail for inclusion in Section 2 of the Return, which is generated automatically by the Rialtas accounting software, and is used by the Clerk & RFO to provide a detailed set of accounting statements. We have agreed the detail therein to Section 2 of the 2019-20 AGAR, subject to the aforementioned issues which have duly now been corrected by RBS Software on behalf of the Council.

### *Conclusions*

*We are pleased to record that no additional issues arise in this area and, on the basis of the work undertaken during the course of our review for the year, we have "signed off" the Internal Audit Report in the year's Annual Governance and Accountability Return assigning positive assurances in all areas.*

Rec. No.	Recommendations	Response
<b>Review of Accounting Arrangements and Bank Reconciliations</b>		
R1	The clerk should print off the Trial Balance at each month-end before making any further data entries and file it with the bank reconciliation to provide confirmatory evidence of the cashbook balance, as recorded on the bank reconciliation at that date.	
R2	The nominated councillor checking bank reconciliations should undertake the review at least once quarterly, as required by the Council's approved Financial Regulations, also evidencing their verification of bank and cashbook balances, also formally recording any queries raised on the reconciliation's content.	
<b>Review of Corporate Governance</b>		
R3	Members should not be directly involved in the procurement process (Para 10.4 of the adopted Financial Regulations refers): following members' resolution, as minuted, to procure goods or services, the Clerk, not a member or members, should follow the Council's approved procurement process. Members should, however, deliberate and agree which contractor to appoint to deliver the goods or services, that decision being minuted formally.	
R4	The Council should ensure that financial detail, as required by the Accounts and Audit Regulations, is posted on the Council's website, also considering the disclosure of other information in line with best practice as outlined in the Transparency Code.	
<b>Review of Expenditure</b>		
R5	Consideration should be given to the acquisition of a suitably designed rubber certification stamp to be affixed to each invoice, thereby removing the need for preparation and retention of additional certification slips.	
<b>Budgetary Control and Reserves</b>		
R6	Action should have been taken to correct the apparent miscodings identified in the body of our interim report, also ensuring that the correct AGAR Box linking is applied: going forward, greater care is needed in the coding of receipts and payments ensuring their accurate allocation with members undertaking an effective review of budge reports querying any significant anomalies such as those identified..	
R7	Detail of the Council's individual Earmarked Reserves, with specific and separate identification of the CIL money unspent balance, should be separately identified in the accounting software allocating each an individual nominal account code in the 320 series.	



Rec. No.	Recommendations	Response
<b>Budgetary Control and Reserves (Continued)</b>		
R8	The budgeted income for each financial year should be entered into the Alpha software to provide members with meaningful comparative date when reviewing the year's budget performance.	
<b>Review of Income</b>		
R9	To provide a clear audit trail the hall booking invoice number should also be identified when entering detail of the invoice settlement in the Alpha cashbook.	
<b>Review of Asset Registers</b>		
R10	The Council should undertake a further review of the recently updated register ensuring compliance with the reporting requirements in the AGAR (the Governance and Accountability Manual refers) with both the assessed (per prior year AGAR) values and replacement costs recorded. The former should be used in completing the 2019-20 AGAR Box 9 disclosure adjusted to reflect any changes through acquisition of new / replacement of assets with the previously recorded values of any disposals deducted from the total value.	<i>This has been actioned accordingly</i>
<b>Investments &amp; Loans</b>		
R11	The Council should consider the placement of part of the excess funds held currently in the Barclays account to ensure that greater interest earning potential is achieved.	<i>Members have determined to take no action in this respect.</i>