Lydiard Millicent Parish Council

Internal Audit Report FY2021-22

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For and on behalf of
Auditing Solutions Ltd

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 Return. Auditing Solutions Ltd was appointed as the Internal Auditors to Lydiard Millicent Parish Council for the 2005-06 financial year. Due to the difficulties in conducting the Internal Audit review in previous financial year, and the significant difficulties that the Council has based in the 2021-22 financial year we have conducted a more detailed, more forensic review of the Council's Finances and Corporate Governance than would usually be undertaken in a standard year-end internal audit due to the Members recorded concerns that the Council's affairs had not, during the 2020-21 and early 2021-22 financial years, been administered appropriately, and that they wished to identify any non-conformity and correct this.

It is our understanding from the new Clerk/RFO in post, that the Chairman and Members of the Council wished to use this Internal Audit process as a 'touchstone' with which to move the Council forward in a positive and compliant manner.

This report sets out the work undertaken in relation to the Internal Audit process for the 2021-22 financial year which took place remotely on the 10th and 11th June 2022.

Internal Audit Approach

In conducting our review for the year, had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / Annual Return. 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 Annual Return process, which requires independent assurance over a number of internal control objectives.

Overall Conclusions

We have noted the Members statement to the External Auditors in support of the Council's delayed submission of the FY2020-21 Annual Governance & Accountability Return which stated:

> "***Lydiard Millicent Parish Council had a difficult year in 2020/21. All but one of the councillors resigned in December 2020 and Wiltshire Council appointed a number of temporary councillors until there was sufficient representation from within the parish. New Councillors were appointed following the elections in May… Accounting statements were produced in line with the Accounts and Audit Regulations, however:***
>
> - ***Expenditure was not monitored against budget during the year***
> - ***Earmarked reserves were not reviewed***
> - ***VAT was not reclaimed for either the 2020-21 or the 2019-20 financial years…***
>
> ***Further the council failed to maintain an adequate system of internal control including measures designed to prevent and detect fraud and corruption."***

We have noted that the deficiencies which the Members had identified continued during the first quarter of the 2021-22 financial year and that the ongoing resolution thereto has significantly impacted the Council's operations again during this period.

The Conclusion of the Internal Audit for the financial year to the 31st March 2022 is that the Council has failed to meet the requirements of Internal Control Objectives 'G' and 'M', contained in the Annual Governance and Accountability Return, Annual Internal Audit Report, these non-conformances are detailed in full in the main body of this report, along with the twenty-four recommendations for improvement we have made, which are also recorded in the appended Action plan.

It is the auditor's opinion that the non-conformances resulted from the breakdown of proper administrative and governance practices being employed. We acknowledge that the new Clerk/RFO in post is working assiduously with the Chairman and Members to bring the Council into compliance with current legislation and practice as detailed in the National Association of Local Councils (NALC) 'Joint Panel on Accountability and Governance Practitioners; Guide – March 2022'.

We commend the new Clerk/RFO in post for the work that she has already undertaken on behalf of the Council, in particular the recovery of the unbanked income for the period of 2017-202, and recognise that this is an ongoing process which is likely to take the rest of the 2022-23 financial year to accomplish. We thank her for her assistance in undertaking this detailed review process, and her responsiveness in providing answers to ancillary questions outside of normal working hours to facilitate the completion of the 2021-22 financial year Internal Audit.

We ask that members consider the content of this report and acknowledge that the report has been formally reviewed and adopted by Council.

Review of Accounting Records & Bank Reconciliations

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 note that the Council uses the Rialtas Alpha accounting software package for local councils to maintain the accounting records, also noting that during the 2021-22 financial year the Council retained its funds in three bank accounts and an investment fund as follows:

- Cashbook 1 – Lloyds Bank Plc
- Cashbook 2 – CCLA Public Sector Deposit Fund
- Cashbook 3 – Unity Trust Bank
- Cashbook 4 - Unity Trust Bank (closed and residual funds transferred to the first Unity Trust Bank Account)

We have noted the following: -

- Noted that due to the failure to complete the Annual Governance and Accounting Statements for the 2020-21 financial year, the Annual Governance and Accountability return was submitted after the 30th June 2021 deadline, with an extension granted by the External Auditor;
- Noted that the opening trial balance detail for 2021-22 financial year was correctly stated based on the data recorded in the Council's accounting system.

  However, the Council's Minutes of the 30th March 2022 under Minute reference 262, records that circa £6,000 of cheques, pertaining to cemetery fees and recreation field hire and covering a period from 2017 to 2020, which had not been receipted, entered onto the accounting system or reported remained unpresented. Resultantly the recorded accounts for the Council for the from the 2016-17 financial year have not been accurately reported. We can confirm that as of the date of the year end audit, the new Clerk/RFO had been able to reclaim £3,855.00 with £1,865 in relation to Cemetery fees was still outstanding. Members had Resolved to write off £375.00 in accordance with Financial Regulation 9.9.4;
- Noted that Cashbook 1 contained an unacceptable level of negating entries. The new Clerk/RFO has advised us that this was in relation to a misidentification of the current account;
- Noted that the new Clerk/RFO has drafted a Procedure for the Payment of Accounts which was adopted at the Full Parish Council meeting of the 27th July 2021 under Minute reference 110;
- Checked detail of all transactions recorded on the Lloyds Bank current and treasury account cashbooks to the supporting bank statements for the 2021-22 financial year For April, and December 2021 and March 31st March 2022;
- Checked and agreed detail on the 31st March 2022 bank reconciliations; and,
- Considered the appropriateness and security of the controls over software systems back-up, noting that although no procedures were in place, that the Clerk advises that the Councils email system is managed and backed up by an external IT consultancy: Datacenta. The Councils computer system including Rialtas is all managed and backed up by Microshade.

Conclusion

It is apparent that the Council's financial Management was subject to serious systemic failures which, although beginning in 2017, became exacerbated during the past two years, causing the underlying issues to be brought to light during the first quarter of the 2021-22 financial year. Incorrect financial statements have been made to Members and the Internal Auditor for a number of years due to the improper maintenance of the Council's financial administrative processes and

the provision of incomplete and inaccurate financial records for scrutiny. This situation resulted in the Members signing off inaccurate financial and governance statements in prior years.

Ordinarily, a failure of Internal Control Objective 'A';

> *"Appropriate accounting records have been properly kept throughout the financial year"*

would have been made, however, we have noted the strenuous efforts made by the Interim RFO, the new Clerk/RFO in post and the Council Members to correct this situation, recover all monies due to the Council and to correct the financial statements during the 2021-22 financial year. The ongoing efforts to bring the Council's financial management into good order are to be commended.

We have reviewed the corrective actions taken to the 31st March 2022, and noted the new financial control policies which the Council has formally Adopted and consider the steps that the Council has taken to be satisfactory to meet the requirements of this control objective during the financial year.

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place, that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to reasonably ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. Consequently, we have:

- Recorded that Auditing Solutions Ltd was appointed as the internal auditors for the 2020-21 financial year, but were unable to complete a detailed internal audit report due to the lateness and incomplete nature of the documentation received;
- Noted that due to the delayed completion of the AGAR, the Council submitted its 2020-21 financial year return late, under an extension granted by the External Auditor PKF Littlejohn;
- Noted that the Council received a qualified External Audit report for the 2020-21 financial year. We remind the Clerk/RFO and Members that the External Auditor stated;

  > ***"We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the yar 2021/22 for the exercise of public rights, since the period for the exercise of public rights did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to assertion 4 of the Annual Governance Statement for 2021/22 and ensure that it makes proper provision for the exercise of public rights during 2022/23."***

  and that the Council is required to record 'No to assertion 4 of the Annual Governance Statement for 2021-22;
- Noted that Members Resolved to Review and Readopt its Standing Orders, based on the NALC model document, at the 1st July 2021 meeting of the Full Parish Council, under Minute reference 98.21;
- Noted that Members Resolved to Review and Readopt its Financial Regulations, based on the NALC model document, at the 12th December 2021 meeting of the Full Parish Council, under Minute reference 198.21;
- Completed the review of the Council's Minutes for the 2021-22 financial year and noted that, with the exception of those produced by the new Clerk/RFO in post for March 2022, the Minutes were of a generally poor quality and did not meet the standard required for smaller authorities during months of April 2021 to June 2022 inclusive;

- Noted that the new Clerk/RFO in post has recorded confidential matters correctly in the Council's Minutes and that of its sub-committee using confidential reports, which are legally privileged as attachments to the Minutes themselves;
- Noted that the Council has taken reasonable steps to ensure continued compliance with the General Data Protection Regulation (GDPR) including maintaining registration with the Information Commissioners Office and the provision of dedicated email addresses for the Council's Officers and Members;
- Noted that the Council's hosts a content rich and easily navigable website which is published at https://www.lydiardmillicent-pc.gov.uk/ and is compliant with the current Accessibility Act Legislation. Although the Council is not required to abide by the Transparency Code, by dint of its turnover, all the required documentation and additional information required to do so is available on the website;
- Noted that, as identified by the External Auditor's report for the 2020-21 financial year, the Council did not publish the Notice for the Exercise of Public Rights correctly due to the delay in the submission of the AGAR as previously stated;
- Noted that the Council instructed the Clerk to publish the notice of Conclusion of Audit on the Council's website and noticeboards, at the 07th October 2021 meeting of the Full Parish Council, under Minute reference 154.21; and,
- Noted that although the new Clerk/RFO in post is CiLCA qualified, the Council is not eligible to adopt the General Power of Competence due to the lack of unelected members;

Conclusions and recommendations

A) MINUTES OF THE COUNCIL AND SUB-COMMITTEES
The Minutes of the Full Parish Council for the first quarter of the 2021-22 financial year failed to meet the standard for appropriate Minute keeping as defined in 'the yellow book': Arnold-Baker on Local Council Administration – 12th edition.

There were several areas of significant concern, including, but not limited to the following:

- ***No proper recording of Apologies – As the Agenda is a formal Summons to appear, Members Apologies must be Approved by Resolution, not merely accepted. If a Member is absent without rendering an Apology, that Member must be required to provide an explanation for their absence without apology at the next meeting and that reason recorded in the Apologies;***
- ***No proper recording of Declarations of Interest – Pecuniary / non-pecuniary matters and explanation not recorded;***
- ***No proper reporting of Financial Matters – ambiguous and confused (detailed later in this report under Review of Expenditure);***
- ***Numerous 'Agreed' and 'Approved' actions recorded under one Minute reference other items only being recorded by bullet point rather than a unique reference; and,***

We acknowledge that the new Clerk/RFO in post has already dramatically improved the quality of the Council's Minutes and, resultantly, have made no further recommendation in this regard in this section of our report.

B) AGAR and the NOTICE FOR THE EXERCISE OF PUBLIC RIGHTS
Due to the delay in submitting the 2020-21 financial year AGAR, under the extension agreed by the External Auditor, the Statutory Notice for the Exercise of Public Rights for the 2020-21 financial year Statement of Accounts and supporting documentation was not published for the correct period:

The notice was published for the period of the 29th July to the 9th September 2021 inclusive.

This is a period of 32 days (August Bank holiday was the 30th August 2021) so 31 working days rather than the thirty required by statute. Additionally, the notice period did not include the first 10 days of July 2021 required by statute.
The Council has failed to meet AGAR Annual Internal Audit Report Internal Control Objective 'M' :

> ***"The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and /or authority approved minutes confirming the dates set)."***

R1. The Chairman and Clerk/RFO must ensure that henceforth the Council completes the Notice for the Exercise of Public Rights correctly for a period of exactly 30 working days to include the first 10 days of July and records in its Minutes the Resolution to publishes it, both on its website, and its public notice board(s).

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 suitable 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 heading codes have been applied to invoices when processed; and,
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We have conducted a detailed examination of a sample of non-salary related payment documents made by the Council in the 2021-22 financial year, with the selection criteria of every payment in excess of £1,000 and every 20th payment irrespective of value. A total of 27 payments was examined noting that none of the 12 payment documents to the 30th July 2021 had any clear evidence of Member scrutiny or approval and three payment documents could not be fully verified:

- 17/05/21 Corona Energy Ltd : No invoice could be provided
- 09/09/21 Affordable Cleaning Services Net value entered instead of gross, i.e. £593.23 instead of £711.38
- 06/12/21 Westlea Landscaping, transposition error £1,314.00 entered instead of £1,134.00.

We note that the 15 payment documents in the sample from the 09th September 2021 had a certificating stamp applied to the face of the document which bore clear evidence of verification by the Clerk/RFO and initials of the Members who had approved the documents.

The sample group examined equates to 40% of all non-salary related payments and has a total value of £21,618.87. We have requested the Clerk/RFO obtain a certified copy of the missing payment document forthwith.

We have noted that one procurement in relation to a three-year Grounds Maintenance contract was undertaken during the 2021-22 financial year, which should have been undertaken as a Tender due to the total value of the contract exceeding the statutory £25,000 Tender threshold. This was initially incorrectly treated as a quotation process and had not been registered on the Governments Contracts Finder website as required by Statute. This matter has been discussed at length with the new Clerk/RFO and we are advised that the procurement has subsequently been correctly registered.

Finally, in this area of review we have examined the Council's VAT submission, and have noted that due to the systemic failure of the Council's financial administration, no VAT Reclaim had been submitted either the 2019-20 or the 2020-21 financial years. The new Clerk/RFO in post prepared the VAT submission for this period in the amount of £18,064.54 which was received to the Council's Lloyds Bank Account on the 31st August 2021.

We record that the new Clerk/RFO had prepared the VAT reclaim for submission in relation to the 2021-22 financial year to the 31st March 2022, in the amount of £6,610.32. We confirm that this balance has been disclosed under 'debtors' on the year-balance sheet supporting the FY2021-22 Accounting Statements.

Conclusions and recommendations

We have noted that the Council has been significantly affected by a systemic failure of its financial administration. To ensure that this unacceptable situation does not manifest itself again the following conclusions and recommendations for improvement have been made

a) PAYMENT DOCUMENT SCRUTINY
It is incumbent on the Clerk/RFO and Members to protect the public funds raised by indirect taxation, under the Council's management, and ensure that the funds are only expended on items which are appropriate for a Council to purchase, that the Council has the statutory Power to purchase, and in compliance with its Financial Regulations and Standing Orders at all times.

It is a requirement of the Council's Financial Regulations that each payment document must be initialled by two Members after having been validated by the Clerk/RFO. As stated above, twelve of the payment documents examined in the Review Payments undertaken for the 2021-22 financial year bore no evidence of scrutiny either by the Clerk/RFO in post at that time, or by Members.

We note that the new Clerk/RFO in post has acquired an invoice certification stamp and remind the Clerk/RFO and Members that this stamp must now be consistently applied to each payment document and clear evidence that the payment document been properly verified and scrutinised by the Clerk/RFO and Members, and that the proper analysis and coding has taken place must be recorded against the appropriate field of the certification stamp.

R2. All payment documents must have the certification stamp applied to it. The Clerk/RFO should then record the date that the document was received, validate the document as being authentic and assign an analysis heading to be used in the preparation of the monthly and Annual Accounting Statement and for budgetary purposes.

b) FINANCIAL REPORTING & DUE DILIGENCE
As we recorded in the Review of Corporate Governance, the reporting of Financial Matters in the Council's published Minutes was unacceptable during the first quarter of the financial year. Although the quality of reporting has improved, further improvements in this regard must be made.

The Council's published Minutes are the formal legal record of all the Council's Resolved business. It is absolutely critical therefore that the Council's Financial Management is not only conducted transparently, but seen to be conducted transparently.

The Clerk/RFO should ensure the following items appear on the Full Parish Council's Agenda under Financial Matters, with unique references. All supporting financial documentation should be circulated with the Agenda. for example:

8) FINANCIAL MATTERS

- ***a) Reconciliation of the Council's Bank Accounts with corresponding bank/fund statements (Monthly/Quarterly frequency).***
- ***b) Income & Expenditure report (Monthly/Quarterly frequency).***
- ***c) Schedule of Payments with supporting invoices (Monthly frequency).***
- ***d) Schedule of Receipts with supporting receipts/ sales invoices (Monthly frequency).***
- ***e) Budget vs. Actual report (Quarterly frequency).***
- ***f) Earmarked reserves report (Quarterly frequency).***
- ***g) VAT reclaims (Quarterly/Annually)***

We have noted that the Council approves payments contained on a 'List of Payments' as recorded in it's Minutes. However, during the first quarter of the financial year, this list was not published in the Minutes or as an attachment to it, nor was the List of payments uniquely referenced.

It is considered Best Practice to uniquely reference each Schedule of Payments (and Receipts) to enable accurate identification of each approved schedule via the Minutes. For example, the first Payment Schedule in April 2021 could be referenced LMPC-PS(RS)/001/04-21: (Monmouth Town Council Payment Schedule (Receipts Schedule)/ serial number / month – year. Only the unique reference of each Payment Schedule need be recorded in the Council's Minutes, the schedules may be appended to the Minutes as a self-standing document.

We take this opportunity to remind the Clerk/RFO and members for the absolute need for the proper due diligence of all Financial transactions made by the Council to ensure that errors, as far as is reasonably possible, do not occur. This includes checking the payment documents against the Schedule of payments to ensure that the face value of the payment document agrees with the nett, VAT and gross figures recorded on the Schedule of Payments (Receipts).

We have noted that during the Review of Payments 2 of the 27 documents examined in the sample were entered onto the finance system incorrectly. This had not been identified by Members when they authorised payment. As the two errors account for approximately 7.5% of the sample, we strongly suggest that the Clerk/RFO and a designated Member(s) completes a manual verification of the Council's Cashbook 3 to ensure that any anomalous entries are corrected as such entries will affect both the Annual Statement of Accounts and the VAT reclaim which will need to be corrected in the next reclaim period. Unfortunately, we did not have the time available during this audit, to undertake a line by line check of the Council's entire Cashbook for the financial year.

R3. The RFO should ensure that each Schedule of Payments/Receipts is uniquely referenced, and that reference recorded in the Full Town Council's Minutes, to ensure that each Schedule of Payments approved may be easily identified for the purposes of scrutiny, internal and external audit.

R4. The original payment/receipts documents that are recorded on the Schedule of Payments/Receipts circulated with the meeting Agenda should be scrutinised by Members during the corresponding meeting of the Full Parish Council, and two Members of the Council should initial the payment document/receipt advice, in the field identified, to confirm the authorisation of payment after the Members have resolved to make the payments.

R5. We request that the Clerk/RFO and a designated Member, or Members, undertake a Manual check of the Council's Cashbook and corresponding payment document to ensure that all records in the Cashbook have been processed correctly, making any required adjustments prior *to the submission of the AGAR to the External Auditor, and provide us with a copy of the adjusted accounting statements.*

R6. The Clerk/RFO and Members should consider appointing a Member, on a quarterly basis, to undertake a detailed internal review of the income and expenditure, bank account reconciliations, cashbooks and earmarked reserves as an additional financial control.

c) PROCUREMENT

There is clear evidence contained within the Council's Minutes of the 2021-22 financial year that the Council undertakes a robust approach to procurement. Members are reminded that it is the Clerk/RFO as the Proper Officer of the Council, who is required to undertake all work in relation to procurements at the formal instruction of the Council, including obtaining quotations and interaction with potential and existing suppliers.

This process is not only to comply with the Council's Standing Orders and Financial Regulations but also to ensure that the Council's procurement process is not only open and transparent, but is seen to be open and transparent. Additionally, adherence to such mandated processes prevents any allegation of impropriety being levelled at any Member of the Council or the Clerk/RFO.

The Clerk/RFO is responsible for ensuring that the correct procurement process is undertaken by the Council in accordance with its Financial Regulations and Standing Orders, noting that all procurements that have a contracted value greater than £25,000 are required to go out to formal Tender including the registration of the Tender on the Government's Contracts Finder portal.

R7. To Clerk/RFO must ensure that all Council Procurements undertaken under the Resolved instruction of Members, are undertaken in accordance with the Council's Standing Orders and Financial Regulations and that the formal Tender process, including the registration of all procurements for contracts in excess of £25,000 excluding VAT, on the Government's Contracts Finder portal.

d) VAT RECORDING AND RECLAIMS

We have noted that the Council failed to submit a VAT reclaim in respect of the 2019-2020 and 2020-2021 financial years. We have further noted that that the new Clerk/RFO in post prepared the VAT submission for this period in the amount of £18,064.54, which was received to the Council's Lloyds Bank Account on the 31st August 2021.

It is incumbent on the Clerk/RFO and Members to ensure that VAT is reclaimed on a regular and at least annual basis. Failure to do so effectively deprives the electorate, which the Council represents, of its own taxed fund,s and may cause the Council to set a disproportionately high Precept to compensate for the deficit of funds which are owed to it.

We take this opportunity to remind the Clerk/RFO and Members that Rialtas automatically creates the VAT submissions, at a frequency defined by the Council, either quarterly or annually, and which may be made directly from Rialtas using the HMRC's Making Tax Digital real-time submission system. Claims made in this manner are usually received to bank within three working days.

R8. The Clerk/RFO and Members should ensure that VAT reclaims are processed on a routine basis, either quarterly or annually and submitted directly from the Rialtas Alpha accounting software using the HMRC Making Tax Digital portal. (The Clerk/RFO should refer to RBS if this facility is not yet in use).

The systemic failures in the council's financial management as described above would ordinarily have necessitated a negative assertion to be recorded against Annual Internal Audit Report 2021/22 Internal Control Objectives 'A' and 'B';

> ***"Appropriate accounting records have been properly kept throughout the financial year."***
>
> ***"The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for."***

however, we have again noted the strenuous efforts made by the Interim RFO, the new Clerk/RFO in post and the Council Members to correct this situation. We consider that the corrections already made to the Council's Accounting statements for the 2021-22 financial year, and additional control methods that have been put in place, in concert with the recommendations for process improvements above are sufficient to bring the financial management of the Council into good order.

Once again, we note the hard work that has been undertaken during the financial year to correct and resolve the irregular practices which had manifested and consider the steps that the Council has taken to be satisfactory to meet the requirements of this control objective during the financial year.

Review of Assessment & 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 to minimise the opportunity for their coming to fruition.

We note that the Council maintains a detailed Finance and Health & Safety Risk Register which is reviewed and amended from time to time during the financial year. We also note that the Council undertakes specific Risk Assessments for areas of critical risk on a case by case basis, for example; the Fire Risk Assessment which was undertaken at the Jubilee Club House, Risk Assessments at the Council's play area and recreation ground. Members last reviewed and readopted the Council's Health & Safety Risk Register at the 30th March 2022 meeting of the Full Parish Council, under Minute reference 261.21 of that date.

The Council's insurance requirements are currently Serviced by Axa Insurance UK Ltd., under Policy Number : RGBDX6962034 with the period of cover of the 1st June 2021 to the 31st May 2022. The key features of the policy's schedule are:

Employers Liability	£10,000,000
Public Liability	£10,000,000
Hirers Indemnity	£5,000,000
Terrorist Act	£2,000,000
Safety Legislation costs	£1,000,000
Manslaughter costs	£1,000,000
Data Protection	£1,000,000
Clean up costs	£1,000,000
Libel & Slander	£500,000
Officers Liability	£500,000
Employment Practices	£500,000
Legal Expenses	£500,000
Internet & Email	£500,000

We consider this level of cover appropriate for the Council's immediate and ongoing requirements.

Finally, in this area of review, we note that the Council is responsible for the management and maintenance of the Mews Play Area and Recreation Ground which contains football and cricket pitches. We note that the Council's current Health & Safety Risk Assessment could be expanded to incorporate Risk Management protocols in respect of these facilities.

The Clerk/RFO has advised us that although there is no recreation facility management policy in place, that the Parish Handyman conducts regular visual checks of the Mews play area and recreation field, and completes an inspection report which is forwarded to the Clerk for retention for the statutory period of 21 years (18 plus 3 years). We further note that the Annual Independent Inspection of the Mews play area is undertaken by RoSPA Play Safety Ltd. The Council's published minutes confirm that Members scrutinise this report and act upon the recommendations contained therein.

The Clerk/RFO also informs us that representatives of the football and cricket teams check the pitches for issues before matches begin and report any defect to her via e-mail.

Conclusions and recommendations

We note that the Council has demonstrated a reasonable and proportionate approach to Risk Management during the financial year and has presented an appropriate risk register for the purposes of this audit. However, given the Council's recreational facilities including a children's play area, football and cricket pitches we recommend that the Clerk/RFO and Members consider expanding the Health & Safety Risk Registers to incorporate full Risk Mitigation protocols are in place for these areas. We suggest that the Clerk/RFO and Members the acquisition and use of the Local Council Risk System (LCRS) software for its Risk Management needs. Details of the packages may be found at : https://www.dmhsolutions.com/lcrs-2021

R9. The Clerk/RFO and Members should consider the acquisition of the Local Council Risk Management software system (LCRS) for its Risk Management requirements.

R10. The Clerk/RFO and Members should consider expanding its Health & Safety Risk Registers to incorporate full Risk Mitigation protocols for its playground and recreation facilities.

PLAY AREA MANAGEMENT

We take this opportunity to remind the Council that it is a legal requirement for all organisations which own, or are responsible for, the maintenance of playgrounds and recreation facilities to maintain them in a safe condition. This requires the managing party to conduct regular visual inspections of all playground equipment, the playground environment, general conditions precinct and environs, fencing and signage: (it is considered 'Best Practice' that the person(s) undertaking visual inspections have attended a Playground Inspectors course run by RoSPA, or other qualified training organisation.) The outcome of these inspections MUST be recorded in appropriately designed Playground inspection forms and passed to the Clerk/RFO for retention.

It is a mandatory legal requirement that all inspection reports, including the Annual Independent Inspection report be retained for a period of 21 years. Formally 18 years plus 3 years, as a person is able to bring a claim for injury in a playground, against the organisation responsible for its maintenance and safe operation, up to their obtaining the age of 'majority' - 21 years of age.

NB: If a child has an accident in a play area, and the managing party cannot prove that it had a reasonable and proportionate Management, Risk Mitigation and Maintenance regime in place, with regular visual inspections and an annual independent inspection, the

managing party runs the risk of being found negligent in its duty of care and runs the risk of being the defendant of an unlimited liability claim for damages made against it.

Currently, the Council has no Playground Management policy which details its management, inspection, and maintenance regime. As such, the Council could be at risk of unfounded accusations of neglect, should an unfortunate incident take place, and a compensation claim made.

R11. The Clerk/RFO should develop a Playground Management Policy, to be Reviewed and Adopted by Members. (An example of such a document may be found via the following link: https://tidworthtowncouncil.gov.uk/wp-content/uploads/2020/11/Playground-Risk-Management-v1.pdf

R12. The Clerk/RFO and Members should consider providing appropriate playground inspectors training to persons responsible for conducting playground inspections on behalf of the Council.

Review of Precept Determination & Budgetary Control

Our aim here is to ensure that: -

- The Council has undertaken a budget determination exercise, which forms the basis of the annual precept request from the parent Council;
- The Council has received monthly reports identifying the budget position throughout the year, the accuracy of these are also reviewed during the Audit Committee meeting;
- The Council has formally approved the establishment of specific reserves; and,
- The utilisation of reserves and the return of unused balances to the General Fund are reported to the Council on a monthly basis.

We note from the Council's published Minutes and the supporting documentation provided by the new Clerk/RFO in post for the purposes of this review, that the Council has conducted a detailed budget setting and precept determination process. The Council's Minutes confirm that a series of budget and reserves reviews were undertaken during the Council's November and December 2021 meetings. Subsequently Members Resolved to establish the Precept for the 2022-23 financial year, in the amount of £55,865, at the 13th January 20222 meeting of the Full Parish Council, under Minute reference 219.21. This increase equates to a Band 'D' charge of £72.15; an increase of 71p above the prior year equivalent to 0.99%.

We note that the Council held ten formally established Earmarked Reserves (EMRs) as at the 31st March 2022. We have reviewed the level of these reserves noting an opening balance of £81,000, net in-year transfers of -£8,833 resulting in a closing balance of £72,167. We were concerned that the Earmarked Reserves had been managed in a spreadsheet rather than directly from the Rialtas Alpha accounting software, resulting in payments being made directly from the General Reserve rather than the appropriate EMR during the first quarter of the financial year. However, the new Clerk/RFO in post has assured us that the EMRs have now been implemented in the Rialtas Alpha accounting software and that all the Council's payments are now being made from the appropriate reserve fund, at the instruction of the Members.

The new Clerk/RFO has also advised us that the EMRs were to be further reviewed with Members to ensure that they are replenished, by virement, to meet the Council's budgetary requirements for the 2022-23 financial year. Unfortunately, this action could not take place prior to the 31st March 2022 due to time constraints and other, more pressing matters, which required attention.

We have checked and verified the closing balances for the 2021-22 financial year, noting that the Council held total reserves as at the 31st March 2022, in the amount of £126,250, of which £72,167 were held in Earmarked leaving a residual General Reserve fund of £58,083 equating to approximately 10 months' reserve based on the average monthly 2021-22 level of expenditure, sitting above the generally accepted guidance of the Chartered Institute of Public Finance and Accountancy (CiPFA), that smaller authorities should retain between 3 and 6 months of General Reserve fund based on prior year expenditure. We have noted the Clerk/RFO's comments regarding the further virement of General Reserve funds into EMRs to meet the Council's budgetary requirements for the 2022-23 financial year and consider the level of retained funds appropriate for the Council's immediate and ongoing requirements.

Finally, in this area of review we have noted the year-end out-turn and examined significant variances in excess of 15% of budget. We found the Clerk/RFO's Variance to contain satisfactory explanations for each variance recorded.

Conclusions

There are no matters arising in this area of our review warranting formal comment or recommendation. However, we advise the Clerk/RFO to keep the level of the Council's retained funds in mind throughout the forthcoming financial year and specifically during the next budget setting and precept determination process with Members. Should Auditing Solutions Ltd., be reappointed as the Council's internal Auditors for the 2022-23 financial year, this is an area to which we will pay close attention, to ensure that the Council's funds are being appropriately managed and the budget setting and precept determination process has been undertaken reasonably and proportionately.

Review of Income

In this area of our review, we aim to ensure that income due to the Council is identified, invoiced (where applicable) and recovered at the appropriate rate and within a reasonable time scale, also that it is banked promptly in accordance with the Council's Financial Regulations. We note that other than the Precept, the Council derives income from a number of sources which include the following:

- Cemetery Fees
- Football Fees for field hire
- Cricket Fees for field hire
- Fees for hire of meeting room
- Fees for field hire
- Rural Payments Agency (RPA) Fees re: Lydiard Plain
- VAT reclaims
- Bank interest
- Occasional Grant and Donations

We have noted that the Council has met its duty to review its fees during the financial year, Resolving its Cemetery fees for the financial year at the 7th October 2021 meeting of the Full Parish Council under Minute reference 157.21, and the fees and terms for the hire of its facilities at the 3rd March 2022 meeting of the Full Parish Council, under Minute reference 252.21(a-i). We have checked and verified that the Council's fees have been correctly published on its website and reviewed the Council's Adopted Terms and Conditions of Hire with no matters arising.

We have reviewed the following income streams for months of April and December 2021 and March 2022 as follows with no matters arising:

- Checked & Verified the receipt of the RPA payment in respect of Lydiard Plain;
- Checked & Verified the Junior Football fees;

- Checked & Verified the Cricket fees; and,
- Checked & Verified the Meeting room fees.

We have also reviewed the cemetery income for the 2021-22 financial year and report as follows: We noted that the Nominal Ledger report for Cemetery Income recorded significant income from prior financial years as well as the current one. We have confirmed all receipts for the 2021-22 financial year have been recorded correctly, and the charges were levied correctly.

We report however, that there has been a systemic failure of financial management in relation to the management of Cemetery and Sports Club receipts in previous years, dating back to 2017. This arose due to the failure to record the receipt of some cheque payments from Funeral Directors and Sports Clubs in the Council's Rialtas Alpha accountings software, to bank the income or to raise invoices or receipts for the payments. As no record or report of the receipts of various received income, from 2017 onwards had been made in relation to the payments:

- the Members were unaware of the undeclared income;
- there were no records of the undeclared income available at previous internal audits;
- the Statement of Accounts were incorrect for each financial year from 2017-18 to 2020-21;
- the Exclusive Rights of Burial had not been properly updated.

This situation came to light after the Council had appointed an Interim RFO and Interim Clerk at the 1st July 2021 meeting of the Full Parish Council, under Minute reference 100(a-b).21. The new Clerk/RFO in post advises me that various unrecorded and uncashed cheques were found in envelopes, files and drawers in the Council's offices. The new Clerk/RFO's report was discussed at length at the Extraordinary Meeting of the Full Council of the 30th March 2022, under Minute reference 262.21. I have included the full text recorded in that Minute rather than paraphrase the matter:

262.21*CHEQUE WRITE OFF*

"Members NOTED the report. In total unpresented cheques to the value of £6,000 covering the period 2017-2020 were discovered in amongst unfiled papers in the Parish Office. The cheques were for the services relating to the Cemetery and Recreation Field hire and had not been presented to the bank by the previous Parish Clerk.

The Council has now managed to reclaim £3,855 and an amount of £1,865 is still outstanding for Cemetery fees, discussion continue with the Funeral Directors to recover the remainder. There were four personal cheques and one from an Executors account for pre-purchases of Cemetery plots and memorials. Contact has been made regarding two cheques. Members considered the three remaining cheques to the value of £375 (all dated 2017), one being the Executors cheque.

Following Discussion, Members RESOLVED to write off the £375 in accordance with Financial Regulation 9.9.4 in that 'Any sums found to be irrecoverable, and any bad debts shall be reported to the Council and shall be written off in the year' and, in accordance with the Accountability and Governance Practitioners Guide (March 2021) at 5.47 – 'irrecoverable debts should be written off after full consideration of the possibilities for, and the likely costs of, pursuing the debt. Uncollectable amounts, including bad debts should only be written off with the approval of members, or under delegated authority of the RFO'. The two remaining cheques are from people living out of area. It has been 5 years since the cheques were written, they may no longer be in a position to pay, and they may no longer live at the address on file."

We note that the Council purchased the Rialtas Cemetery Management module during the 2021-22 financial year and that all records of interments and cemetery related income will be managed via the Council's accounting system.

Finally, in this area of our review, we have noted that the new Clerk/RFO and the Interim RFO made all possible efforts to recover the outstanding income, and the new Clerk/RFO continues to attempt to recover the last outstanding items. Further, we can confirm that, with the exception of the items noted, it is our opinion that as far as we are able to reasonably ascertain, all income due to the Council has been received and recorded appropriately.

Conclusions and recommendations

It is apparent that the Council's financial Management was subject to serious systemic failures which, although beginning in 2017, became exacerbated during the past two years, causing the underlying issues to be brought to light during the first quarter of the 2021-22 financial year. Incorrect financial statements have been made to Members and the Internal Auditor for a number of years due to the improper maintenance of the Council's financial administrative processes and the provision of incomplete and inaccurate financial records for scrutiny. This situation resulted in the Members signing off inaccurate financial and governance statements in prior years.

Ordinarily, a failure of Internal Control Objective 'E';

> ***"Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for"***

would have been made, however, we have noted the strenuous efforts made by the Interim RFO, the new Clerk/RFO in post and the Council Members to correct this situation, recover all monies due to the Council and to correct the financial statements during the 2021-22 financial year. The ongoing efforts to bring the Council's financial management into good order are to be commended.

We have reviewed the corrective actions taken to the 31st March 202-22, and noted the new financial control policies which the Council has formally Adopted and consider the steps that the Council has taken to be satisfactory to meet the requirements of this control objective during the financial year. However, we consider that an additional financial process improvement should be made.

The failure by one individual to properly record the receipt of cheque payments, enter them into the Council's Rialtas Accounting system and to bank them promptly, combined with the lack of formal sales reporting and credit control created this single point of failure within the Council's finance system. The following recommendations have been made in order to minimise the possibility of the recurrence of such a failure

R13. The Clerk/RFO should keep an Income spreadsheet register to record all received by non-electronic transfer, i.e. cheques and cash. The Register should record the date of receipt, client details, service details, amount paid, the date the income has been banked and the paying-in slip reference number. Alternatively, The Clerk/RFO and Members should consider purchasing the Rialtas Sales Ledger module.

R14. Banking should ideally take place on a weekly basis, which with the Unity Trust Bank may be undertaken by post for non-cash items.

R15. The Clerk/RFO must enter all non-electronically transferred income onto the Rialtas Alpha accounting system on the date that it is paid into the bank.

R16. The Clerk/RFO must reconcile all income via the corresponding Rialtas cashbook reconciliation.

R17. The Clerk/RFO must produce invoices/receipts for each receipt of Sales Income and produce a monthly sales report listing all sales income received / invoiced in that month.

R18. The Clerk/RFO should produce a Monthly Schedule of Receipts, to include the detail of all income received by the Council during the month, identifying any outstanding invoiced items and present this for Member scrutiny and Approval under the Financial Matters.

R19. The Clerk/RFO should draft a Credit Control and Debt Collection policy for Approval and Adoption by Members.

Review of Petty Cash Account

Lydiard Millicent Parish Council does not operate a Petty Cash account. The Clerk/RFO and Members purchase items and seek reimbursement of funds, via expense claims which are subject to the same scrutiny as all other payment documents.

The new Clerk/RFO has advised us that she is in the process of applying for a multi-card, from the Unity Trust Bank, to enable the Council to make online purchases.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation.

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 Employee Rights Act 1998 and the requirements of HM Revenues and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme, as last amended with effect from 1st April 2018 in terms of employee contribution percentages. To meet that objective, we have:

- Noted the staff changes during the 2021-22 financial year to the 31st March 2022, including the appointment of a new Clerk/Responsible Finance Officer;
- Agreed the amounts paid to the Council's two employees in January, February and March 2022 by reference to the Council's approved pay scale on the NJC annual schedule of rates payable and to the hourly rate for the employees;
- Noted that the Council has outsourced the production of its payroll and reporting to DM Payroll Services;
- Reviewed the Payroll reports for the financial year from the 1st April 2021 to the 31st March 2022 noting that there appears to be an overpayment of £1,355.05 during the financial year and noting that the payroll payment amounts that have been recorded in the Council's cashbooks differ from the payment amounts specified in the DM Payroll Services reports;
- Noted that Tax and NI deductions have not been paid to HMRC in a timely manner and that, having obtained a Statement of Liability from HMRC on behalf of the Council, the new Clerk/RFO advises me that this was settled in May 2022;
- Noted that the Council does not permit variable pay or TOIL payments, requiring employees to take all holiday entitlement within the corresponding financial year;

- Noted that the Council is properly enrolled in the NEST Pension Scheme, but that both employees have ‘opted out’; and,
- Checked and verified the payments via invoice in relation to the services of the Interim RFO and the Interim Clerk with no issues arising.

Conclusions and recommendations

Due to the discrepancy between the actual payroll payments recorded in the Council’s cashbooks and the Payment detail provided by the Council’s outsourced Payroll Provider DM Payroll Services for the financial year (which must be investigated and resolved), the erratic recording of payroll payments during the financial year and the failure to pay the Employee PAYE and NI deductions and Employer NI contributions over to HMRC in a timely basis, the Council cannot be said to have run a properly administered payroll scheme during the 2021-22 financial year.

We have provided a copy of our spreadsheet Review of payments for the 2021-22 financial year which includes two additional worksheets in relation to the Council’s payroll. The first details the Council’s payroll payments as recorded in its cashbooks 1 and 3. The second details the payroll payments which should have been made as calculated by the Council’s outsourced payroll provider: DM Payroll Services.

We have not been able to conclude our investigation in this regard, as the Lists of Payments recorded in the council’s Minutes as having been Approved by members to July 2021 are not recorded in the Council’s Minutes and could not be provided for the purposes of this audit.

R20. The Clerk/RFO should investigate the payments which have been made during the 2021-22 financial year and identify what overpayments have been made, and how these came to be approved.

R21. The Clerk/RFO and Members must decide whether it is appropriate to attempt to recover the overpayments.

R22. The DM Payroll Services report detailing the salary details for each employee along with the corresponding deductions and contributions should be recorded in the Schedule of Payments and produced for scrutiny and subsequent Authorisation by Members at the Monthly meeting of the Full Parish Council.

R23. The Clerk/RFO must ensure that all payments owed to HMRC (and the Council’s Pension Scheme if and when this becomes appropriate) are made in a timely manner.

The Council has failed to meet AGAR Annual Internal Audit Report Internal Control Objective ‘G’:

> ***“Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, and PAYE and NI requirements were properly applied.”***

Review of the Fixed Asset Register

The Governance and Accountability Manual requires all councils to maintain a record of all assets owned. We note the Council’s compliance with this requirement; the Clerk maintains and manages an appropriate register with values identified both at cost price or, when unknown, at the best approximation thereto, together with the annually uplifted insurance value to assist with budgetary planning for future replacements.

We note that the Council is currently using a basic Fixed Asset Register which could be improved upon. We have checked the existing Fixed Asset Register and verified, as far as it is possible to do so, that the Fixed Asset Register Value declared for the 2021-22 financial year, in the amount of £261,914 (*Prior-year £264,833)* has been correctly reported in the Accounting Statements at Box 9 of Section 2.

Conclusions

There are no matters arising in this area of our review warranting formal comment or recommendation. We have however, provided a sample spreadsheet Fixed Asset Register for the Clerk/RFO's information, as an attachment to this report, which would be better suited for the Council's current requirements.

Review of Investments & Loans

Our objectives here are to ensure that the Council is "investing" surplus funds, be they held temporarily or on a longer term basis in appropriate banking and investment institutions, that an appropriate investment policy is in place, that the Council is obtaining the best rate of return on any such investments made, that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with appropriate loan agreements.

We noted that the Council has a formal Investment Policy in place.

The Council holds its funds in a Lloyds Bank current account and a Unity Trust Bank current account We have verified the 31st March 2022 account balances with reference to electronic copies of the prime supporting documentation and the disclosed balances in the corresponding account reconciliations. We have also noted that the funds retained in these accounts, being less than £85,000 are fully protected by the Government's Financial Services Compensation Scheme.

The Council holds surplus funds in a CCLA Public Sector Deposit Fund account. We have verified the 31st March 2022 account balance with reference to an electronic copy of the account statement and the disclosed balances in the corresponding account reconciliation and agreed the dividend reinvested in the account has been properly recorded.

The Council has no loans, either owed, or let by it.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation.

Annual Governance & Accountability Return & Statement of Accounts

The Council's Rialtas accounting system automatically generates the Management Accounts, Balance Sheet, Trial Balance, Income & Expenditure Accounts and Reserves reports as part of the software's year-end closed down procedure.

We have checked and verified these reports, against prime documentation, and consider that the Council's Accounting reports records the 2021-22 financial year's transactions. The software also generates the detail for inclusion in the year's Annual Return, which we will verify as being consistent with the accounting and other relevant supporting records, subject to the Clerk/RFO and a Member(s) conducting a final review of the current account Cashbook entries for the 2021-22 financial year, as recorded earlier in this report, and providing the adjusted Accounting statements for our records.

We have also reviewed the procedures in place for identifying year-end debtors, creditors and accruals and agreed the detailed values recorded in the year-end Balance Sheet to the underlying records with no long-standing unpaid accounts or other issues arising.

Conclusions

On the basis of the work undertaken during the course of our review for the year, we have "signed off" the Annual Internal Audit Report 2021-22 noting that the Council failed to meet the standards for Internal Control Objectives 'G' and 'M' to the standard adequate to meet the needs of this authority during the financial year.

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NOTE TO REPORT

We confirm that all confidential & sensitive information, supplied for the purposes of this audit have been permanently deleted from Auditing Solutions Ltd.'s servers and any printouts made for the purposes of this audit have been destroyed in accordance with the Company's data and document retention policies and with the prevailing General Data Protection Legislation.

Action Plan 2021-22 financial year

Rec. No.	Recommendation	Response
Review of Corporate Governance		
R1	The Chairman and Clerk/RFO must ensure that henceforth the Council completes the Notice for the Exercise of Public Rights correctly for a period of exactly 30 working days to include the first 10 days of July and records in its Minutes the Resolution to publishes it, both on its website, and its public notice board(s).	
Review of Expenditure		
R2	All payment documents must have the certification stamp applied to it. The Clerk/RFO should then record the date that the document was received, validate the document as being authentic and assign an analysis heading to be used in the preparation of the monthly and Annual Accounting Statement and for budgetary purposes.	
R3	The RFO should ensure that each Schedule of Payments/Receipts is uniquely referenced, and that reference recorded in the Full Town Council's Minutes, to ensure that each Schedule of Payments approved may be easily identified for the purposes of scrutiny, internal and external audit.	
R4	The original payment/receipts documents that are recorded on the Schedule of Payments/Receipts circulated with the meeting Agenda should be scrutinised by Members during the corresponding meeting of the Full Parish Council, and two Members of the Council should initial the payment document/receipt advice, in the field identified, to confirm the authorisation of payment after the Members have resolved to make the payments.	
R5	We request that the Clerk/RFO and a designated Member, or Members, undertake a Manual check of the Council's Cashbook and corresponding payment document to ensure that all records in the Cashbook have been processed correctly, making any required adjustments prior to the submission of the AGAR to the External Auditor, and provide us with a copy of the adjusted accounting statements.	
R6	The Clerk/RFO and Members should consider appointing a Member, on a quarterly basis, to undertake a detailed internal review of the income and expenditure, bank account reconciliations, cashbooks and earmarked reserves as an additional financial control.	
R7	To Clerk/RFO must ensure that all Council Procurements undertaken under the Resolved instruction of Members, are undertaken in accordance with the Council's Standing Orders and Financial Regulations and that the formal Tender process, including the registration of all procurements for contracts in excess of £25,000 excluding VAT, on the Government's Contracts Finder portal.	

Action Plan 2021-22 financial year

R8	The Clerk/RFO and Members should ensure that VAT reclaims are processed on a routine basis, either quarterly or annually and submitted directly from the Rialtas Alpha accounting software using the HMRC Making Tax Digital portal. (The Clerk/RFO should refer to RBS if this facility is not yet in use).	
Review of Assessment & Management of Risk		
R9	The Clerk/RFO and Members should consider the acquisition of the Local Council Risk Management software system (LCRS) for its Risk Management requirements.	
R10	The Clerk/RFO and Members should consider expanding its Health & Safety Risk Registers to incorporate full Risk Mitigation protocols for its playground and recreation facilities.	
R11	The Clerk/RFO should develop a Playground Management Policy, to be Reviewed and Adopted by Members. (An example of such a document may be found via the following link: https://tidworthtowncouncil.gov.uk/wp-content/uploads/2020/11/Playground-Risk-Management-v1.pdf	
R12	The Clerk/RFO and Members should consider providing appropriate playground inspectors training to persons responsible for conducting playground inspections on behalf of the Council.	
Review of Expenditure		
R13	The Clerk/RFO should keep an Income spreadsheet register to record all received by non-electronic transfer, i.e. cheques and cash. The Register should record the date of receipt, client details, service details, amount paid, the date the income has been banked and the paying-in slip reference number. Alternatively, The Clerk/RFO and Members should consider purchasing the Rialtas Sales Ledger module.	
R14	Banking should ideally take place on a weekly basis, which with the Unity Trust Bank may be undertaken by post for non-cash items.	
R15	The Clerk/RFO must enter all non-electronically transferred income onto the Rialtas Alpha accounting system on the date that it is paid into the bank.	
R16	The Clerk/RFO must reconcile all income via the corresponding Rialtas cashbook reconciliation.	
R17	The Clerk/RFO must produce invoices/receipts for each receipt of Sales Income and produce a monthly sales report listing all sales income received / invoiced in that month.	

Action Plan 2021-22 financial year

R18	The Clerk/RFO should produce a Monthly Schedule of Receipts, to include the detail of all income received by the Council during the month, identifying any outstanding invoiced items and present this for Member scrutiny and Approval under the Financial Matters.
R19	The Clerk/RFO should draft a Credit Control and Debt Collection policy for Approval and Adoption by Members.
Review of Staff Salaries	
R20	The Clerk/RFO should investigate the payments which have been made during the 2021-22 financial year and identify what overpayments have been made, and how these came to be approved.
R21	The Clerk/RFO and Members must decide whether it is appropriate to attempt to recover the overpayments.
R22	The DM Payroll Services report detailing the salary details for each employee along with the corresponding deductions and contributions should be recorded in the Schedule of Payments and produced for scrutiny and subsequent Authorisation by Members at the Monthly meeting of the Full Parish Council.
R23	The Clerk/RFO must ensure that all payments owed to HMRC (and the Council's Pension Scheme if and when this becomes appropriate) are made in a timely manner.