

Fyfield Parish Council

Internal Audit Report 2022-23

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Background

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

This report details the work undertaken in relation to the 2022-23 financial year during our two on site visits on 29th November 2022 and 24th May 2023, together with preliminary work undertaken at our own offices. We thank the Clerk and councillors for their assistance in progressing the year's review.

Internal Audit Approach

In undertaking this year's review of the Council's records, we have again paid due regard to the materiality of transactions and their susceptibility to any potential misrecording or misrepresentation in the cashbook and year-end Statement of Accounts / AGAR. Our programme of cover is designed to afford appropriate assurance that the Council's financial systems are robust and 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 'IA Certificate' in the Council's AGAR, which requires independent assurance over a series of internal control objectives.

Overall Conclusion

We were concerned at our interim review to have to record that, from our examination of the accounting / cashbook record of the year's transactions comparing that detail to the supporting bank statements, we had identified a number of inconsistencies in the former record, which threw a significant degree of doubt on the effectiveness of the Clerk's and members' control over the Council's finances. Due to the extent of these errors, we had, of necessity, to spend significantly more time on our review than planned, which necessitated our recreating a meaningful and accurate record of the year's transactions and will, of necessity require us to give negative assurances in certain areas of the year's IA Certificate.

To assist the clerk, we provided a copy of our reworked cashbook which we balanced and reconciled to bank statements at the end of each quarter to the date of that interim review. We also provided a schedule of the identified errors in the cashbook to the Clerk trusting that the provided schedule of identified anomalies would assist the Clerk and members going forward and help ensure that the 2022-23 records were balanced and managed effectively throughout the remainder of the year with members able to undertake a meaningful review of and agree the quarterly reconciliations that should be easily generated at the end of each quarter.

We, consequently, set out the concerns identified in summary form in the detailed interim report and asked members and the Clerk take appropriate action to both improve the accuracy / quality of financial transaction recording and effectiveness of member scrutiny and control over the Council's financial transactions. At this final review, undertaken at the home of two councillors due to the unavailability of the Clerk following her hospitalisation for an operation, we understand that consideration is being given to the use of a financial accounting software package for 2023-24 and will check progress on its implementation and application at our interim review for that year.

Due to the year's receipts and payments both exceeding £25,000, the Council will need to complete a Form 3 AGAR this year submitting the document to the external auditors for review and certification.

We also take this opportunity to remind the Clerk and Council of the need to publish all required documentation on its website in a timely manner in line with the guidance / requirements set out in the preface to the year's AGAR and to also ensure compliance with the timing requirements in relation to the Notice of Public Rights for the year.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

Our objectives in this area are to ensure that the accounting records are maintained accurately and in a timely manner with detail reconciled routinely to the bank accounts in use. The Clerk has maintained the accounting records in Excel workbook format with two accounts in use with Barclays Bank plc (Current and Business Premium), the former being used for all day-to-day transactions and the second only recording the receipt of quarterly interest during the year.

The Clerk, in advance of our interim visit, provided an electronic copy of the cashbook to us following completion of data entry for the first half-year, together with supporting bank statements. We agreed this approach so that, should any anomalies exist, they could be corrected prior to the financial year-end. Due to the Clerk's hospitalisation at the time of our final review, a councillor has taken over the Clerk's role on a temporary basis completing the data entry for the year and providing an electronic copy of the year's final cashbook for our review: in reviewing the document, we have noted that the year's cashbook also included analysed entries of transactions after 1st April 2023 with no formal reconciliation completed at 31st March 2023.

We have consequently reviewed the cashbook detail, as recorded to 31st March 2023, checking it against the bank statements for both accounts effectively for the full financial year. As indicated in the preface to this report, whilst there had been a degree of improvement in the recording of detail in the cashbooks at the time of our interim review, we had again identified a number of errors that required amendment to help ensure that meaningful reconciliations could be completed at each quarter-end.. We discussed these with the Clerk at the time of our interim visit agreeing the amended cashbook detail with her and attaching to the interim report a schedule of the identified anomalies – we have also attached that schedule to this report to provide a comprehensive record of our findings and conclusions for the current financial year.

The Council's Financial Regulations (FRs – para 2.2 refers) stipulate that bank reconciliations should be undertaken at least once quarterly by a member other than the Chairman or a cheque signatory, who should sign-off the reconciliations and original bank statements. The Excel workbook now in use includes separate quarterly tabs which include provision for recording the quarter-end bank reconciliation. Whilst we understand that the quarter-end cashbooks are printed, reviewed and signed-off, we have not been provided with copies confirming that action, nor have we seen any indication during the course of the year that the bank statements have been examined and signed-off.

Conclusions and recommendations

We expressed a number of residual concerns in our interim report at the number of ongoing errors identified in checking the cashbook entries to bank statements in the current financial year: we are, however, now pleased to acknowledge that detail subsequent to our interim review has improved, although the inclusion of early payment transactions for 2023-24 casts some doubt on the understanding of the purpose of a cashbook.

We note that consideration is being given to the use of an accounting software package for 2023-24 and trust that this will help ensure greater accuracy in data entry with regular, ideally monthly, bank reconciliations produced and subjected to quarterly review and formal sign-off in accordance with the Council's adopted FRs.

- R1. Care is required to ensure that, when entering receipts and payments in the accounting records, appropriate and accurate analysis is applied to afford a meaningful comparison of performance during the year against the approved budget detail.*
- R2. To ensure a more formalised approach is taken to the review and sign-off of quarterly bank reconciliations, cashbooks and bank statements we suggest that the summarised detail in the spreadsheet cashbook should also be recorded in a separate spreadsheet reconciliation statement for sign-off by the reviewing councillor who, in accordance with the adopted Financial Regulations should neither be the Chairman nor a cheque signatory: we have provided the Clerk with a suitable expanded pro-forma reconciliation statement format that should be applied, signed and held on file ideally with the supporting bank statements.*

Review of Corporate Governance

Our objective in this area is to ensure that the Council has robust corporate governance documentation and procedures in place; that Council meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we may reasonably be expected to ascertain as we do not attend meetings, no actions of a potentially unlawful nature have been or are being considered for implementation.

We have examined the Council's minutes for the financial year and to date in 2023-24, as posted on the website, to determine whether any issues exist that may have an adverse effect, through litigation or other causes, on the Council's future financial stability and are pleased to record that no such issues have been identified.

We note that both the SOs and FRs have been revised during 2022-23 as recommended by ourselves last year: we have reviewed their content noting that they are now in line with the latest NALC models. We are also pleased to note that they both reflect compliance with the 2015 Public Contracts Regulations in relation to high-cost contracts, together with the Council formally agreeing a value of £5,000 for formal tender action where compliance with the requirement to publicise tenders on the Contract Finder website does not apply. With regard to that requirement, there has been recent clarification on the value at which tenders must be formally advertised on the Government's website: the requirement is now for tenders above £30,000 including VAT to be publicised thereon. Consequently, we urge that the Council's SOs and FRs are amended accordingly to reflect this clarification .

Conclusions

We are pleased to record that no issues arise in this area warranting formal comment or recommendation. As the Council's annual turnover is again likely to exceed £25,000, it will not be able to exempt itself from the external audit process and will need to complete the Form 3 AGAR submitting the signed and dated AGAR Sections 1 & 2 to the external auditors in accordance with the timing detail set out in the preface to the year's AGAR.

Whilst, as a Council with an annual turnover in excess of £25,000, Fyfield is not legally required to comply with the requirements of the Transparency Code for Smaller Councils, we are, however, pleased to note the addition of a raft of relevant and appropriate documentation to the website including that legally required by the Accounts and Audit Regulations 2015 as summarised in the preface to the year's AGAR.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets
- All payments are subject to appropriate approval in accordance with the Council's approved procedures
- 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, and
- VAT has been appropriately identified for periodic recovery.

At our interim review we discussed with the Clerk the procedures in place for approval of the payment of invoices and physical release of funds and consider them sound and appropriate for the Council's present requirements with members evidencing their review on each invoice. Due to the relatively low volume of annual payments, we have examined all those processed in the year to ensure their accuracy and the appropriate analysis of detail in the cashbooks with a number of issues identified in the latter respect as indicated earlier in this report.

In checking the payments processed in the year to the date of our interim review, we also noted a few instances where VAT had not been identified for recovery on occasions where purchases had been made by the Clerk or councillors with invoices made out in their names rather than the Council's. As these are genuine Council expenses and the invoices bear detail of any VAT incurred together with a valid VAT Registration number, the Council is entitled to reclaim the VAT. We do, however, suggest that when such purchases are made in future, the supplier be requested to record the Council's title on the accompanying invoice. Whilst the amounts involved may not be significant, we suggested that the Clerk went through the file of invoices and amended the cashbook entries accordingly, which we are pleased to acknowledge has been actioned accordingly.

We note that a VAT reclaim covering 2021-22 transactions was prepared, submitted and repaid by HMRC in June 2022. We will check the detail and timely submission of the reclaim for 2022-23 at our 2023-24 interim review.

Conclusions and recommendations

We draw the Council's attention to the issues identified on the attached schedule of anomalies which gives cause for concern as to the effectiveness of checking payment detail with cashbook entries and physical payments not matching the underlying invoices in every case.

R3. Members reviewing and signing-off the individual payment dockets should ensure that the physical payments being made correlate to the underlying invoices.

Assessment and Management of Risk

Local councils are required to put in place appropriate arrangements to assess and manage all potential risks, financial and other, to which they may be exposed, also ensuring that appropriate

insurance cover is in place (Governance and Accountability Manual – The Practitioner’s Guide refers).

We are pleased to note that the Council reviewed and re-adopted, in June 2022, a financial risk register and have reviewed the content, which we consider generally appropriate for a council the size of Fyfield.

The Council’s insurance cover is provided by the Local Council’s Scheme: we have duly reviewed the content of the 2022-23 insurance schedule with Employer’s and Public Liability cover both in place at £10 million, together with Fidelity Guarantee cover of £250,000 all of which we consider appropriate for the Council’s present requirements.

Conclusions

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

Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from the parent Council: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains sufficient funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate general reserves to cover any unplanned expenditure that might arise.

We note that, following due deliberation, the Council finalised its budget and precept deliberations for 2023-24 formally adopting the latter unchanged from the 2022-23 precept of £13,534 at the January 2023 full Council meeting.

The Council’s reserves at the financial year-end have reduced to £15,806 (£19,156 at 31st March 2022): this equates to approximately 7 months’ revenue spending at the 2022-23 level and sits comfortably within the generally accepted range of between three and twelve months’ such spending.

Conclusions

We are pleased to record that no issues have been identified in this area this year.

Review of Income

The Council receives income in addition to the precept, primarily by way of grants (significant in 2022-23), burial and associated fees, small amounts of bank interest, recoverable VAT and a monthly loan repayment by the Village Hall Committee. We have agreed detail of income received to bank statements for the year and, where available, other supporting documentation including detail of the interments and memorial fees arising in the year, agreeing the amounts received to the approved schedule of fees and charges.

In examining the formal Register of Burials at our interim review, we noted that the document had not been updated to include current year interments and discussed this with the Clerk advising that the register should be kept up to date as far as is reasonably possible with all relevant supporting documentation retained including undertakers’ interment applications and the legally

required burial or cremation certificates for each interment. Similarly, stonemasons' applications for installation of new headstones or placement of additional inscriptions should be retained on file.

We have, at this final review for the year, re-examined the formal Burial Register and undertakers' / stonemasons' applications as available, noting that a number of concerns have been identified recently with regard to the accuracy of burial records with a degree of confusion existing as to whether income is due to the Council or to the Parish Church; we note that the situation is being reviewed actively by a councillor and will check on the outcome / progress in that respect at our next visit.

The adopted FRs (para 9.3 refers) require that fees and charges are reviewed annually: we are pleased to note that a review occurred in March 2022 with members determining to retain the fees unchanged from their then values.

We noted last year that certain sums, by way of peppercorn rents were also received in cash during the year and had not been banked by the financial year-end. We note that the amount has now been banked in the current year.

Conclusions and recommendation

As indicated above, we shall re-examine the position in relation to the accuracy of burial records and receipt of income due to the Council at our 2023-24 interim visit, trusting that the apparent anomalies between the Council and parish church records will have been resolved satisfactorily by that time.

R4. Appropriate and ongoing action should be taken to ensure the accuracy of burial records, ensuring that, where interments have occurred in the Council's burial ground, that all fees due to the Council are recovered accordingly.

Petty Cash Account

The Council does not operate a petty cash account.

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 HMRC legislation in relation to the deduction and payment over of income tax and NI deductions and employer contributions.

In reviewing the Clerk's salary, we have: -

- Noted that the Clerk has an appropriate employment contract in place with her salary paid in accordance with the agreed national NJC scale point;
- Noted that, rather than being paid a standard amount each month based on her contracted 9 hours per week, time sheets are prepared for each month with the hours recorded paid at the approved hourly rate;
- Noted that, having reviewed her October 2022 payslip, due to her currently advised tax code and monthly gross salary, no tax or NI deductions were applicable for the year to that date.

Conclusions

We are pleased to record that no issues arise in this area this year.

Fixed Asset Registers

The Practitioner's Guide requires all councils to maintain a record of its stock of owned assets also requiring that assets be recorded in a consistent manner value wise, each year with no depreciation or appreciation (as per insurance values) applied.

As recorded last year, we note that a formal asset register remains in existence, including photographs of the various assets owned by the Council, and have again reviewed the content, noting that the register includes scope for recording acquisition / installation dates; purchase price and replacement value. However, detail of the purchase price of the majority of these assets is unknown or is no longer identifiable, whilst the Village Hall is recorded as having a replacement value of £400,000.

Previous years' AGARs record an asset value at Section 2, Box 9 of marginally in excess of £31,000, a significant understatement of the Council's total asset value, bearing in mind that the Village Hall is, whilst leased to the Village Hall Committee which is a separate charitable body for which the Council acts as custodial trustee, is actually owned by the Council and, as such, its value should be reflected in the AGAR Section 2 accounting detail at Box 9.

The Practitioner's Guide sets out detail of the basis for assigning asset values to be included in the AGAR requiring "donated" and "community" assets to be reported with a nominal £1 value. Given the obvious understatement of the asset value reported in the AGAR in prior years due to the exclusion of the Village Hall' value, the AGAR value for both 2022-23 and 2021-22 should be appropriately recorded with the Village Hall value included in the asset value. The increased value will require explanation to the external auditors for the significant increase in value of the recorded assets: the 2021-22 value in the year's AGAR should similarly include that value and be annotated as "Restated".

We have been liaising with the Councillor who is acting as Clerk in her absence on sick leave and urge that a full review of the asset register, as provided for our examination, is undertaken urgently and in advance of submission of the 2022-23 AGAR to the external auditors with assigned values for inclusion at Section 2, Box 9 duly recorded appropriately based on their known purchase cost (net of VAT). Where that value is unknown, we suggest that an appropriate replacement value be assigned (again net of any potential VAT) and applied consistently in future years. We also note that, in undertaking an initial assessment of the asset values, the aforementioned Councillor has seemingly included additional asset values for assets not included on the provided register, together with one land asset leased from Epping Forest DC. As this asset is not owned by the Council, no value should be assigned to it for AGAR reporting purposes.

Conclusions and recommendation

As indicated above, where the purchase cost of assets is unknown, for 2022-23 and beyond, a realistic assessed purchase value should be assigned to each asset with that updated value being reported appropriately in the AGAR, together with the assigned value for the Village Hall (£400,000) together with the inclusion of values for any new acquisitions in the year, less the formerly recorded value of any disposals.

- R5. *Action should be taken to ensure that an accurate and complete register of the Council's owned assets, with all relevant information appropriately recorded, which should serve as the basis for reporting the asset value in the AGAR at Section 2, Box 9. That value should, once determined be applied in successive years, only being varied by the cost of any new additions in year or reduced by the assigned values of any asset disposals.*
- R6. *Wherever possible, actual purchase cost, net of VAT, should be established for every Council owned asset and be recorded appropriately in the asset register and thence in the AGAR at Section 2, Box 9. Where the actual purchase cost is unknown, a "best estimate" of the value should be assigned and recorded in the asset register: once assigned, that value should be reported in the AGAR unchanged in future years.*

Investments and Loans

The Council has no long-term investments, but has an outstanding loan repayable to the UK Debt Agency (formerly PWLB) and, as indicated earlier in this report is receiving a monthly loan repayment from the Village Hall Committee to service that loan. We have, as part of our payment review, recorded earlier in this report, checked the two half-yearly loan repayments made to PWLB, also ensuring the accuracy of the outstanding loan liability reported in the AGAR Section 2, Box 10 by reference to the UK Debt Agency website where all local authority year-end loan liabilities are reported.

Conclusions

No matters arise in this area this year warranting formal comment or recommendation.

Statement of Accounts and AGAR

Section 2 of the AGAR now forms the Council's formal Statement of Accounts subject to external audit review and certification. Due to the level of receipts and payments during 2022-23, the Council will not be able to claim exemption from the external audit process for the year.

Due to the level of errors identified in the cashbook presented for our review, we have, as indicated earlier in this report, created a revised and corrected cashbook, using the resultant year-end values to generate the information for inclusion in the AGAR Section 2, detail of which we have provided to the Clerk.

Conclusions

As indicated throughout the report, there are a number of areas of concern over the accuracy of recording of financial information, the effectiveness of Council review procedures and financial monitoring: consequently, we have needed to give a few negative assertions in the IA Certificate for 2022-23. The Council will also need to carefully consider the assertions to be given in the annual Governance Statement at Section 1 of the AGAR, due to the issues identified from our review.

Rec. No.	Recommendation	Response
Review of Accounting Arrangements and Bank Reconciliations		
R1	Care is required to ensure that, when entering receipts and payments in the accounting records, appropriate and accurate analysis is applied to afford a meaningful comparison of performance during the year against the approved budget detail.	
R2	To ensure a more formalised approach is taken to the review and sign-off of quarterly bank reconciliations, cashbooks and bank statements we suggest that the summarised detail in the spreadsheet cashbook should also be recorded in a separate spreadsheet reconciliation statement for sign-off by the reviewing councillor who, in accordance with the adopted Financial Regulations should neither be the Chairman nor a cheque signatory: we have provided the Clerk with a suitable expanded pro-forma reconciliation statement format that should be applied, signed and held on file ideally with the supporting bank statements.	
Review of Expenditure and VAT		
R3	Members reviewing and signing-off the individual payment dockets should ensure that the physical payments being made correlate to the underlying invoices	
Review of Income		
R4	Appropriate and ongoing action should be taken to ensure the accuracy of burial records, ensuring that, where interments have occurred in the Council's burial ground, that all fees due to the Council are recovered accordingly.	
Fixed Asset Registers		
R5	Action should be taken to ensure that an accurate and complete register of the Council's <u>owned</u> assets, with all relevant information appropriately recorded, which should serve as the basis for reporting the asset value in the AGAR at Section 2, Box 9. That value should, once determined be applied in successive years, only being varied by the cost of any new additions in year or reduced by the assigned values of any asset disposals.	
R6	Wherever possible, actual purchase cost, net of VAT, should be established for every Council owned asset and be recorded appropriately in the asset register and thence in the AGAR at Section 2, Box 9. Where the actual purchase cost is unknown, a "best estimate" of the value should be assigned and recorded in the asset register: once assigned, that value should be reported in the AGAR unchanged in future years.	

IA identified cashbook anomalies and other issues.

1. Prior year uncleared cheques as per bank rec at 31 3 2021 have, with the exception of cheque nos. 1431 & 1432 been recorded as opening entries in the 2022-23 cashbook. They have already been accounted for in 2020-21 and should therefore not be recorded again even though they have gone through the bank.
2. Cheque 1431 has actually cleared through the bank on 7th September 2021.
3. Cheque 1432 (£94.20) is recorded as “lost” and replaced in the cashbook and has as with those at 1 above, been re-entered. The correct treatment where replacement cheques are issues is to record the write-back of the cheque in the cashbook as a negative payment (also in the analysis column) in the year when written back (i.e., 2022-23 cashbook in this instance) and then record the replacement cheque as a new payment.
4. The Clerk’s salary payment for June (£381.52) and July (£281.12) totalling £662.64 is entered in the cashbook as two payments: however, the total was actually issued as a single payment, which cleared the bank on 5th August 2021. The actual payment total should have been entered as a single line entry in the cashbook to ease checking against the bank statement.
5. A payment into the bank of £432.50 on 6th September 2021 included a £65.00 receipt in respect of a headstone and £367.50 in relation to a bursary refund. The £65.00 cheque effectively “bounced” and appears as a contra payment on the bank statements on 7th September 2021. The rejection of the cheque has not been shown in the cashbook and should have been recorded as a negative receipt, also as a contra (i.e., negative entry) under the Cemetery receipt heading.
6. Whilst on the subject of receipts, there are 5 entries in the cashbook of £0.70 relating to peppercorn rents received in cash in June and August. We understand that these have not been bank ed and are held by the clerk pending banking. Whilst acknowledging that the amounts are very small, they should have been deposited in the bank well before the financial year-end. They should not be entered in the cashbook until such time as they are physically banked.
7. Two payments to Skippers in August 2021 (vchr refs24 & 25) are recorded in the cashbook as £1152.00 & £384.00 respectively . These have actually been paid in the amounts of £912.00 and £624.00 and should either have been recorded in the cashbook as the latter two entries or payments should have been made in line with the separately invoiced amounts.
8. Conversely, there are a number of payments of £120.00 (6 in all) and £108.00 (3 in all) paid through the bank. These have been entered in the cashbook as 3 payments of £240.00 and one of £324.00. As above, the cashbook should record detail of the individual physical payments drawn.
9. The payment for a new litter bin to Melba Swintex of £160.31 (Vchr no. 44) is entered in the cashbook twice (on 13th October and 6th November 2021).
10. Similarly, the payment to the clerk for flower troughs for the bus shelter (Vchr no.46) is also entered twice (on 13th October and 6th November 2021).
11. The payment to the Village Hall on 13th October 2021 (vchr no. 39) is entered in the cashbook as paid at £153.00: the actual payment was drawn for £153.50.
12. The bank statement records a payment of £160.00 to Carol Cox on 16th November 2021: this has not been entered in the cashbook.
13. Two payments to TBS Hygiene, each of £94.20 – Total £188.40 (Vchr nos. 47 & 52) are recorded in the cashbook as paid on 6th December. The bank statement records a total payment of £181.44 on 8th December 2021.

14. Two payments to BB Groundcare, each of £647.50 – Total £1,295.00 (Vchr nos. 50 & 54) are recorded in the cashbook as paid on 6th December 2021 and 12th January 2022. They appear on the bank statements as one payment of £895.00 on 8th December and one of £400.00 on 9th December 2021. As above, payment should be made in accordance with the invoices or, if a valid reason exists for part payment of the first invoice, the cashbook should record the actual payment value.
15. The Clerk's October salary payment of £381.52 (Vchr no. 45) has been recorded in the cashbook twice.

The cashbook provided for our examination includes separate worksheets purporting to be bank reconciliations at the end of each quarter in the year. The reconciliations recorded purely reflect the quarter-end bank balance, except for the September quarter, where the rejected £65 receipts by cheque is shown as both a negative uncleared cheque and a positive uncleared payment, neither of which make sense.

Given the level of incorrect entries identified above and the absence of any cashbook balance being identified during the course of the year, it would be impossible for a “**meaningful**” reconciliation to be prepared for member review in accordance with the requirements of the adopted Financial Regulations (Para 2.2 refers)

In reviewing the file of purchase invoices and pay records, we have also identified a few anomalies, as follows:

1. The Clerk's April 2021 timesheet records payment for 40 hours: the hours recorded actually total 42.
2. The Clerk's June 2021 pay detail shows a gross payment of £311.24 less tax of £59.20 = £252.04. The June salary payment per the cashbook was paid at £381.52. Also, if the clerk was on Basic Rate tax at the time, the tax deduction at 20% should have been £62.20. not £59.20.
3. The payment to Skippers on 2nd August 2021 (Vchr no. 24 has been analysed to “Affiliations and training”: it should be Grounds maintenance.
4. The payment to Melba Swintex recorded in the cashbook twice, as above, included VAT of £26.72, which was not recorded in the cashbook.
5. The payment to TBS Hygiene on 6th December 2021 (Vchr no. 47) is, as at 13 above, recorded in the cashbook as £94.20, whereas the actual invoice was for £87.24, which when added to vchr no. 52 for £94.20 actually equals the amount of £181.44 paid.
6. Clerk's February 2022 salary record shows payment due and paid for 34 hours: the time sheet adds to 33 hours.

We also note that the Clerk's pay records in the invoice file for the first couple of months indicate the deduction of tax at Basic Rate. In examining the actual payslips for September 2021 and March 2022, they show a different tax code which would result in no tax being payable based on her gross salary. We have, however, seen no indication that any tax deducted from her gross salary in the early months of the year has been paid over to HMRC: this will require further examination with either the tax deducted needing to be paid over to HMRC or, if the same tax code should have been applied for the full year, any tax deducted being refunded to the clerk.