

Lyneham & Bradenstoke Parish Council

Internal Audit Report 2019-20 (Final update)

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Background and Scope

Statute requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and accounting processes annually. This report sets out those areas examined during our review of the Council's financial and governance records as provided to us for 2018-19. We were approached by the newly appointed experienced Locum Clerk in late November 2019 with a request for a quote for provision of the service for 2018-19 and to that date in 2019-20 following the termination of the former clerk's employment. We issued a composite report covering 2018-19 and to the date of our visit in early December 2019 for 2019-20.

This report consequently incorporates the initial report detail, suitably updated to reflect the actions already taken and the outcomes of our final review work for 2019-20. Due to the impact of the Covid-19 pandemic, we have undertaken our final review for the year remotely: we wish to thank the Locum Clerk in assisting the process, providing all necessary additional (to that examined at our previous visit) documentation in electronic format to facilitate completion of our review for the year and sign off of the Internal Audit Certificate in the year's AGAR. We have, obviously in the circumstances, reduced the volume of transactions examined since our initial visit, whilst still ensuring governance and financial controls remain effective.

Following the former clerk's failure to maintain appropriate accounting records and prepare the year's Annual Governance and Accountability Return (AGAR) for formal adoption by the Council and submission to the external auditors by the statutory deadline, the external auditors issued a Public Interest Report relating to the failure to comply with these statutory requirements for 2018-19. We note that the external auditors finally were able to sign off the 2018-19 AGAR in early February 2020 with a number of issues raised requiring attention, including reference to the issues raised in our previous report.

Internal Audit Approach

In completing our review for 2019-20, we have had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts and AGAR. As the appointed Internal Auditor and under the present audit arrangements, we have a duty to complete the internal audit report embodied in the Council's AGAR, which covers the basic financial systems and requires assurances in ten separate areas.

Overall Conclusion

Perhaps not surprisingly under the aforementioned circumstances, we identified a number of areas where the Council needed to take positive action to further strengthen fiduciary controls and ensure compliance with best practice and extant legislation; Detail of the areas examined and work undertaken, together with identified issues were set out in the detailed report issued with resultant recommendations further summarised in the appended Action Plan. We are pleased to acknowledge the positive actions already taken by the Clerk and Council to address those issues: consequently, we have left the prior report recommendations in this update report reflecting the actions taken to address them and the current status on each of those aspects in the following detail.

Obviously, as a number of significant issues existed for the major part of 2019-20, the Council will need to consider and accurately reflect the position in the AGAR Governance Statement, advising the external auditors of the positive actions now in place to address the weaknesses that existed for most of the year.

We have duly completed the IA Report in the year's AGAR assigning appropriate assurances in each of the relevant areas again referring to this detailed report, where appropriate.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

The Council appointed a new clerk early in 2019 following the resignation of the previous incumbent who had maintained the accounting records using various spreadsheets. There were also a number of changes in the constitution of the Council with new members elected and co-opted with a new Chairman appointed in November 2019. Thereafter, it quickly became apparent that the former Clerk had not been maintaining the financial records following her appointment, nor had various governance issues been actioned appropriately.

Two bank accounts are in use with HSBC (Current and Deposit); the only transactions on the latter being the crediting of monthly interest and occasional fund transfers to the Current Account when required, whilst the Current account is used for all day-to-day transactions, payments all being made by cheque.

Our objective in this area of review is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear therein. As indicated above, the clerk in post for most of 2018-19 had maintained the accounting records in spreadsheet format, an electronic copy of which the recently appointed Locum Clerk had tracked down and provided for our examination.

The Excel workbook included separate worksheets to record receipts and payments during the year, together with a third worksheet which purported to be a cashbook showing the combined opening balances of both bank accounts as at 1st April 2018, together with the day to day transactions on each account (both receipts and payments) with the adjusted balance on each account calculated on each line of data entered.

We identified a number of concerns with the maintenance of these financial records in our previous report and are pleased to now record that the Council approved the acquisition of the RBS Rialtas Alpha accounting software, which was duly installed and populated with all financial data for 2019-20: consequently, the previously used spreadsheet records are now considered defunct.

To ensure the accuracy of financial data to be disclosed in the 2019-20 GAR, we have checked and agreed detail of the full year transactions as recorded in the separate Alpha cashbooks for each account for the full financial year by reference to the supporting bank statements.

As indicated in our previous report, it appeared that no formal bank reconciliations had been undertaken during the course of 2018-19, nor in the current financial year, as required by both best working practice and the requirements of the extant NALC model Financial Regulations (Para 2.2 refers) as now adopted by the Council in January 2020.

We have examined and agreed the year-end (i.e. as at 31st March 2020) bank reconciliations to the supporting bank statements and Alpha cashbooks for both accounts with no long-standing uncleared cheques or other anomalous entries apparent.

Conclusions and recommendations

The absence of any meaningful cashbook record during the course of 2018-19 or seemingly for 2019-20 to the date of the new Locum Clerk's appointment effectively precluded any

opportunity to provide members with any meaningful financial information during the course of either year, although we noted that detail of bank balances and payments for approval were recorded in the minutes (see comment in next report section re absence of minutes of some meetings).

We are now pleased to acknowledge the positive actions taken to improve financial recording and reporting in the latter stages of 2019-20 with the Alpha accounting software now in use. We are also pleased to acknowledge the actions taken to ensure compliance with the recently adopted Financial Regulations (FRs) with two members now examining the financial records routinely.

To further assist their review and effective interpretation of bank reconciliation detail we suggest that, on each occasion during the financial year that a formal bank reconciliation is prepared for members' review, a print of the Alpha Trial Balance (in the Alpha Management Accounts programme suite), be taken and filed with the reconciliation statements. Being a "live" system throughout the year, no formal month-by-month cashbook showing the month-end balance is generated by the software (purely cumulative cashbook detail to date being available): the printed Trial Balance as and when reconciliations are prepared will provide the cashbook balance detail on both accounts at that time and should facilitate members' verification of the "Balance per Cashbook" value recorded on the bank reconciliation statement generated by the software.

R1. The Council must ensure that a system of appropriate and accurate recording of financial transactions is implemented and operated for the full financial year with the facility to provide members with up-to-date financial information and budget comparison detail. This has been actioned accordingly with the Rialtas Alpha software applied for the financial year.

R2. The Council should ensure that it complies with best practice with the periodic independent review of bank reconciliations, which should be prepared at least once quarterly, also adhering to the requirements of the model NALC Financial Regulations. Two members appointed to review monthly Bank Reconciliations as per approved Financial Regulations.

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 (SOs) and that, as far as we are reasonably able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation.

In our previous report we noted that the extant SOs and FRs in place were very "thin on the ground" and were not in line with the recommended NALC model documents: we are pleased to note that the Council has now, at its January 2020 meeting, adopted the latest NALC model documents.

We endeavoured to review the minutes of Council meetings by reference to both the Council's website and hard copies held by the Locum Clerk. Examination of both indicated that agendas had not been issued in accordance with legal requirements as in most recent cases, up to the appointment of the current Locum Clerk, they were not signed by the "Proper / issuing" officer. It was also apparent that the previous clerk failed to record the minutes of several meetings during the time of her appointment with several others not loaded to the Council's website. We

had also seen no indication of a minute approving the annual budget and precept for 2019-20 and are pleased to now record that the Locum Clerk has addressed this, formally minuting the approved level of 2020-21 precept in the January 2020 minutes.

The Council does not currently meet the qualifying criteria to adopt the General Power of Competence, neither having a clerk with the relevant current CiLCA qualification nor sufficient elected members. Consequently, when considering and approving the payment of grants and donations to local bodies, the statutory powers relied on for such approval should be considered and be minuted accordingly in the approving minute.

Finally, in this area, it was evident that the Council has failed to comply with the disclosure requirements of the Transparency Code, which became mandatory for smaller councils from 1st April 2015 with a turnover of under £25,000. Whilst Lyneham and Bradenstoke's turnover exceeds that threshold, in line with best practice, the Accounts and Audit Regulations 2015 and overall transparency, we suggested the following documents should be published on the Council's website:

- AGAR, including external audit certificate (the AGAR document sets out the specific publication requirements)
- Internal audit report in AGAR
- Payments over £500
- Assets
- Councillor's responsibilities
- Minutes and agendas

We now note that a new website has been developed and that the above documentation is being added accordingly.

Conclusions and recommendations

As indicated previously, action was required to ensure that the Council has a robust set of governance documentation in place ideally basing it on guidance and documentation issued by NALC and that it complies with the requirements of the Transparency Code, as it applies to councils the size of Lyneham & Bradenstoke. Whilst we do not envisage this as being a problem going forward, the Council must ensure that it complies with legislative requirements as regards the issue of agendas, recording and publication of minutes.

- R3. The Council should undertake a full review of its extant Standing Orders and Financial Regulations ideally replacing them with the latest documents provided by NALC, suitably tailored to the Council's specific requirements and working practices, provided they adhere to statutory requirements and ensuring a consistent value for formal tender action. Standing Orders and Financial Regulations (based on NALC models) were approved at the meeting on 14th January 2020.***
- R4. The Council should ensure that agendas and minutes are compiled in accordance with legislative guidance (Charles Arnold Baker refers). Minutes and Agendas have been prepared as per legislation with effect from November 2019.***
- R5. Unless approved at one of the apparently un-minuted meetings in early 2019, a retrospective minute should be recorded at the next available Council meeting confirming in total cash terms, the actual value of the approved precept for 2019-20. This has been formally minuted at the meeting held in January 2020.***

- R6. *When approving the payment of grants and donations, the minutes recording approval should identify the powers relied on. **This is now being done.***
- R7. *The Council should ensure that all relevant and legally required information is disclosed on its website. A **new website is now in place and is being populated with the requisite information.***

Review of Expenditure

Our aim here is to ensure that: -

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

We have discussed the procedures in place for the approval and release of payments with both the Locum Clerk and Chairman and consider them sound with the two cheque signatories generally initialling both the chequebook counterfoils and invoices. We are also pleased to note that, following our previous report recommendation, a suitably designed rubber certification stamp has been acquired and is now being affixed to every payment voucher.

Due to their low volume, we examined all payments processed and paid to the date of our previous visit in December 2019: due to the impact of Covid-19 and social distancing we have selected a further sample of 10 invoices paid over the remainder of the financial year and are pleased to report that all are appropriately supported by a trade invoice, till receipt or other document confirming the expenditure as appropriate (apart from those previously referred to relating to the former clerk's salary and expenses). We also noted in our previous report that, due to the former clerk's failure to process payments in a timely manner, "late payment" charges were levied by one or two service providers.

We are pleased to note that the current Locum Clerk has prepared VAT reclaims for both 2018-29 and 2019-20 and submitted them to HMRC for settlement, the latter being submitted in accordance with the "Making Tax Digital" submission requirements.

Conclusions and recommendations

We are pleased to record that no new issues have arisen in this area with a suitably designed certification stamp now in routine use and VAT reclaims for both 2018-19 and 2019-20 prepared and submitted to HMRC.

- R8. *The Council should acquire a suitably designed certification stamp, as per the detail in the body of the report, to be affixed to every payment document and be signed by the two members signing cheques confirming their review of the documents. A **stamp has been obtained and is now in use.***

R9. A VAT reclaim should be completed for 2018-19 as soon as practicable, ideally with a more frequent regime of submission implemented for 2019-20 and beyond. Reclaims for both 2018-19 and 2019-20 have been prepared and submitted to HMRC.

Assessment and Management of Risk

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

We have examined the Council's insurance policy, as arranged by BHIB, ensuring that appropriate cover is in place noting that both Employer's and Public Liability cover stand at £10 million, together with Fidelity Guarantee cover at £250,000, all of which we consider appropriate for the Council's present needs.

We noted in our previous report that the Council last reviewed and re-adopted its Risk Assessment documentation in May 2018. We examined the document and considered that, with only five elements of potential risk recorded, it was inadequate given the level of the Council's activity and required "fleshing out" to cover all potential areas of risk.

We are pleased to note that a suitable financial risk document has now been prepared, the content of which we have reviewed and consider appropriate for the Council's present requirements. The document was due to be presented to and adopted at the April 2020 Council meeting, but due to present Covi-19 circumstances, this was postponed and the document will now be presented to the next Council meeting for adoption. Due to the absence of appropriate action during 2019-20, the Council will again need to give a negative response to this element of the Governance Statement in the 2019-20 AGAR.

We also noted previously that the Council's play areas are subject to annual RoSPA inspection and report, the outcome being presented to members for formal agreement of any remedial action deemed necessary. The last reported inspection was minuted in July 2018: we understand that no subsequent report has been traced / received and that the 2019 inspection may not have taken place. We also understood that one of the councillors undertakes monthly inspections of the play areas, although no formal records were being maintained of the outcome of those reviews. As claims for injuries may now be submitted up to the age of 21 and given the current litigious nature of society, the Council needs to ensure that these locally undertaken inspections are formally recorded with documentation retained accordingly. We also suggest that the councillor undertaking the reviews should undertake a RoSPA training / refresher course leading to appropriate accreditation to undertake the reviews.

Conclusions and recommendations

Action is required in this area to ensure that the Council has appropriate and comprehensive risk assessment documentation in place and that routine play area inspections are undertaken with the results formally recorded and documentation retained for the requisite period in the event of any subsequent injury claims.

R10. The Council should ensure that a more robust approach is taken to the assessment and management of risk, developing an appropriate and comprehensive register of potential risk areas together with an assessment of the likelihood of their coming to fruition and

the potential financial and political impact should that occur. An appropriate document has been developed and will be submitted to the next Council meeting for formal adoption.

- R11. More frequent (than monthly) inspections of the Council play areas should be undertaken, together with a formal RoSPA review at least once annually, the results of each being formally recorded and retained for the requisite period. **Play Area inspections now taking place weekly on a rota. A record of each inspection is completed and sent to the Parish Clerk for electronic filing.***
- R12. Arrangements should be made for the councillor currently (or another individual) undertaking the play area inspections to receive the relevant updated RoSPA training leading to accreditation as soon as possible. **Three Councillors attended a Play Area Inspection training course in March 2020. A fourth Councillor will attend as soon as Covid-19 restrictions are lifted.***

Budgetary Control & 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 level of precept to be drawn down from the District Council: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans and cover any unplanned expenditure that might arise.

As indicated above, the 2019-20 budget and precept detail were formally approved and adopted at the January 2020 Council meeting.

The Council has funds of £81,940 at 31st March 2020 (£89,661 as at the prior year-end), including an Earmarked Reserve (EMR) of £1,500 for the Neighbourhood Plan: we note that the other EMRs previously in place have been returned to the General Reserve as they were no longer required. The residual General Reserve balance equates to approximately 18 months' spending at the 2019-20 level and is, as such, considerably in excess of the generally recognised holding of between 6 and 12 months' revenue spending.

We have seen no indication that the Council has considered and adopted a formal reserves policy and suggest that a suitable document be developed and adopted as soon as possible.

Conclusions and recommendation

Whilst no additional, to that raised previously in relation to reporting of budgetary performance, matters of significant concern arise in this area, we consider that, in line with best practice, a formal Reserves Policy should be developed with members formally agreeing the nature and value of earmarked reserves to be carried forward each year.

- R13. The Council should develop an appropriate Reserves Policy considering the nature and level of funds to be set aside in earmarked reserves at the close of each financial year, with detail minuted appropriately. **General and Earmarked Reserves were addressed during the discussion on the Budget and Precept at the January 2020 meeting with full detail in the supporting Budget paper.***

Review of Income

The Council has relatively limited sources of income, primarily the annual precept, allotment rents, recoverable VAT, bank interest and occasional grants and donations.

Our objective in this area is to ensure that all income due to the Council is identified and recovered within an appropriate period and is also banked promptly. We have, as indicated in the first section of this detailed report, confirmed income arising from bank interest for the year together with receipt of the twice-yearly precept payments, the latter also for 2019-20.

With regard to allotment rents, we noted that, in effect, almost two years' rents were received during 2018-19 with no apparent evidence of non-payment by allotment holders: the effective doubling of allotment rent income arose as a result of a change in the date for issue of invoices. We also noted at our previous review that, at that time, the allotment rents for 2019-20 had not been invoiced: the Locum Clerk was aware of the need to issue invoices and did so in advance of the year-end with all but one settled by 31st March 2020, which has, we understand, been paid subsequently.

Conclusions and recommendation

As indicated above, the register of allotment tenants and rents due / received should be expanded to include identification of the date when individual tenants pay their rents and the date of banking of the amounts received in order to provide an appropriate and clear audit trail.

R14. The allotment register should be expanded as detailed in the body of the report to provide a clear audit trail showing the date of receipt and banking of tenants' rents received. Allotment rents have now been invoiced and recovered as indicated in the body of the report.

Petty Cash Account

The Council does not operate a formal petty cash account, any expenses incurred being reclaimed and repaid through the normal invoice process.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of 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.

We note that the payroll is prepared in house using the bespoke HMRC Basic PAYE Tools software with all relevant documentation pertaining to the clerk's net salary payment and tax / NI deductions filed with the payment documents throughout 2018-19, although none appears to have been retained for 2019-20.

To meet the above objective, we have: -

- Checked and agreed detail of the gross pay of the latter of the two clerks' salaries employed during 2018-19 to her employment contract and agreed salary rate: no NI or tax was applicable as earnings were below the relevant thresholds
- Checked detail of the former clerk's tax deductions, as recorded on the PAYE Tools generated documentation, ensuring that the appropriate tax code was applied (her salary was also below the NI threshold during the time of her employment, and
- Ensured that all employee tax deductions were paid over to HMRC in a timely manner.

Conclusions

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

Investments and Loans

The Council neither has funds invested in long-term deposits, only in an HSBC deposit account, nor are any loans in existence either repayable by or to the Council.

Fixed Asset Register

The Governance and Accountability sets out the reporting requirements for Fixed Assets in the AGAR. The Locum Clerk has developed an appropriate asset register based on the previous document in place, updating it appropriately to record newly acquired assets and, where appropriate, previously acquired and recorded assets at the purchase price (Net of VAT).

We have, consequently, ensured that the asset value to be reported in the year's AGAR at Box 9 is in line with that on the register.

We noted from our discussion with the Chairman at the time of our earlier visit that he was in the process of developing a photographic register of the Council's street furniture, etc and commend this as an example of best practice.

Conclusions and recommendation

The asset register should be traced and provided for our examination if possible: when entering the asset value detail on the 2018-19 AGAR at Box 9, due consideration should be given to the value of the new banners acquired during 2018-19 and whether they exceed the Council adopted "de minimus" value, below which acquisitions are regarded and revenue spend and not "fixed assets".

R15. The Council will need, if the extant asset register cannot be traced, to develop a new register as a matter of some urgency, assigning appropriate values to individual items based on replacement cost (net of VAT). If this is the only course of action, the "new" asset value will need to be reported in the 2019-20 AGAR with an appropriate explanation provided to the external auditor and the 2018-19 value restated accordingly in that year's AGAR. An Asset Register has been prepared based on that prepared and dated 2017. It has been updated for 2018-19 and 2019-20, but has not yet been approved by the Parish Council due to Covid-19 restrictions.

Annual Governance and Accountability Return (AGAR)

All Councils are required to prepare and submit to their appointed external auditor each year a completed AGAR before 30th June, although those councils with receipts and payments of less than £25,000 may claim exemption. As indicated earlier in this report, the Council failed to comply with this requirement for 2018-19 resulting in the external auditor initially issuing a Public Interest Report, which has been published on the parish noticeboard(s) and the Council's web site. Subsequently, the external auditor issued a report in early February 2020 on the AGAR prepared, adopted by Council and submitted following our December 2019 review of the records.

We have checked and agreed the financial values to be reported in the 2019-20 AGAR to the underlying year-end financial detail, as set out in the Rialtas Alpha accounting records.

Due to the absence of appropriate governance controls and documentation for the majority of the financial year (i.e. prior to the present Locum Clerk being appointed) the Council will again need to carefully consider its responses to the Governance Statement in the 2019-20 AGAR again giving negative responses to several of the assertions.

Conclusions

We have duly signed off the Internal Audit Certificate in the 2019-20 AGAR with caveats affecting most aspects based on issues identified in the preceding sections of this report.

The Council will need to give due and full consideration to each aspect of Section 1 of the AGAR relating to Governance, although we believe that all, bar 5 & 8, will require negative responses.

The Council will also need to provide explanations to the external auditor of any significant variances in the values assigned to the boxes in Section 3 of the AGAR between 2017-18 and 2018-19.

Rec. No.	Recommendation	Response
Review of Accounting Arrangements and Bank Reconciliations		
R1	The Council must ensure that a system of appropriate and accurate recording of financial transactions is implemented and operated for the full financial year with the facility to provide members with up-to-date financial information and budget comparison detail.	<i>Rialtas Alpha package now in operation for the full financial year 2019/20. Installed in January 2020 and transactions for the full year entered.</i>
R2	The Council should ensure that it complies with best practice with the periodic independent review of bank reconciliations, which should be prepared at least once quarterly, also adhering to the requirements of the model NALC Financial Regulations.	<i>Two members appointed to review monthly Bank Reconciliations as per approved Financial Regulations. Minute No 7.3, 14th January 2020.</i>
Review of Corporate Governance		
R3	The Council should undertake a full review of its extant Standing Orders and Financial Regulations ideally replacing them with the latest documents provided by NALC, suitably tailored to the Council's specific requirements and working practices, provided they adhere to statutory requirements and ensuring a consistent value for formal tender action.	<i>Standing Orders and Financial Regulations (based on NALC models) approved at meeting on 14th January 2020. Can be viewed on the website below.</i>
R4	The Council should ensure that agendas and minutes are compiled in accordance with legislative guidance (Charles Arnold Baker refers).	<i>Minutes and Agendas prepared as per legislation with effect from November 2019. Minute numbering needs to be changed w.e.f. first meeting after 1.4.2020. Meetings suspended due to Covid19 regulations at the time of writing this.</i>
R5	Unless approved at one of the apparently un-minuted meetings in early 2019, a retrospective minute should be recorded at the next available Council meeting confirming in total cash terms, the actual value of the approved precept for 2019-20.	<i>Copy of Precept request obtained from Wiltshire Council. The Precept of £42,063 was approved and Minuted at the meeting held on 11th December 2018. Minutes on website.</i>
R6	When approving the payment of grants and donations, the minutes recording approval should identify the powers relied on.	<i>This is now being done.</i>
R7	The Council should ensure that all relevant and legally required information is disclosed on its website.	<i>New website in operation. www.lynehamandbradenstoke-pc.gov.uk All required information now uploaded.</i>
Review of Expenditure & VAT		
R8	The Council should acquire a suitably designed certification stamp, as per the detail in the body of the report, to be affixed to every payment document and be signed by the two members signing cheques confirming their review of the documents.	<i>Stamp now obtained and in use.</i>

Rec. No.	Recommendation	Response
Review of Expenditure & VAT (Continued)		
R9	A VAT reclaim should be completed for 2018-19 as soon as practicable, ideally with a more frequent regime of submission implemented for 2019-20 and beyond.	<i>Noted. A VAT reclaim will be submitted following year end closedown of 2019/20. No progress on 2018/19</i>
Assessment and Management of Risk		
R10	The Council should ensure that a more robust approach is taken to the assessment and management of risk, developing an appropriate and comprehensive register of potential risk areas together with an assessment of the likelihood of their coming to fruition and the potential financial and political impact should that occur.	<i>Financial Risk Assessment document is prepared and was due to be submitted for approval by Council at the April 2020 meeting. This meeting but cannot now take place due to Covid-19 restrictions. Noted for Agenda of first meeting after restrictions lifted.</i>
R11	More frequent (than monthly) inspections of the Council play areas should be undertaken, together with a formal RoSPA review at least once annually, the results of each being formally recorded and retained for the requisite period.	<i>Play Area inspections now taking place weekly on a rota. Record of each inspection is completed and sent to the Parish Clerk for electronic filing.</i>
R12	Arrangements should be made for the councillor currently (or another individual) undertaking the play area inspections to receive the relevant updated RoSPA training leading to accreditation as soon as possible.	<i>Three Councillors attended a Play Area Inspection training course in March 2020. A fourth Councillor will attend as soon as Covid-19 restrictions are lifted.</i>
Budgetary Controls & Reserves		
R13	The Council should develop an appropriate Reserves Policy considering the nature and level of funds to be set aside in earmarked reserves at the close of each financial year, with detail minuted appropriately.	<i>There is no formal reserves policy document. However, General and Earmarked Reserves were addressed during the discussion on the Budget and Precept at the 14th January 2020 meeting. Budget paper gives full details.</i>
Review of Income		
R14	The allotment register should be expanded as detailed in the body of the report to provide a clear audit trail showing the date of receipt and banking of tenants' rents received.	<i>Collection of allotments rents did not take place until January 2020. Allotment records were not up to date but a list of allotment numbers with correct tenants is now available.</i>

Rec. No.	Recommendation	Response
Fixed Asset Register		
R15	The Council will need, if the extant asset register cannot be traced, to develop a new register as a matter of some urgency, assigning appropriate values to individual items based on replacement cost (net of VAT). If this is the only course of action, the “new” asset value will need to be reported in the 2019-20 AGAR with an appropriate explanation proved to the external auditor and the 2018-19 value restated accordingly in that year’s AGAR.	<i>An Asset Register has been prepared based on that prepared and dated 2017. It has been updated for 2018/19 and 2019/2. It has not yet been approved by the Parish Council due to Covid-19 restrictions. Electronic copy will be sent with other IA papers.</i>