

AUDIT OF THE ACCOUNTS – 2018-2019

The Parish Council's Internal Auditor gave a qualified opinion on the accounts for the year 1 April 2018 – 31 March 2019.

The following are the key issues raised, but his report is on the Parish Council's website.

- The Council to review its budget analysis process as a matter of urgency. The items which required review were the £10,00.00 unallocated sum and the £20,000 budget for purchase of a parcel of land. Having reviewed the budget allocation for 2019-2020, he was of the opinion that these sums might be required to ensure enough general cash reserves at the end of the financial year. The guidance stated that this should be between three and twelve months of the precept level.
- Budgetary control reports, detailing spend to date against budget should be regularly reported during 2019-2020.
- Income system for hall hire. As a matter of urgency re-establish effective internal controls over hall hire to ensure that all documentation was retained and made available for internal audit.
- There was a shortfall in hall hire banking of £315, and this should be investigated.
- The Clerk should seek VAT advice to establish to what extent the VAT incurred at the Village Hall could be reclaimed. This was also a matter of urgency as the VAT would be required to contribute to cash reserves.
- Village Hall revaluation: The Clerk had listed the new value of the Village Hall. This should be amended as the value should only be that previously recorded. Assets did not change over time. The only movement would be for additions and disposals.
- Minute No. 289 (March 2019 meeting) had given authority to Councillor Kevin Gibbs to manage the Village Hall. This was unlawful as delegation could only be made to an Officer (i.e. the Clerk), a Committee, or a Sub-Committee.

Measures to address the weaknesses identified:

- The Parish Council will receive financial statements, including budget-monitoring statements at least quarterly.
- The Finance Committee will meet at least three times a year and will employ a more robust method of reviewing the accounts.
- The Clerk is currently seek advice in respect of VAT incurred during 2018-2019 to establish if the Parish Council can take advantage of the 'occasional breach' rule to allow it to claim the full amount of VAT incurred during 2018-2019.
- Delegation to deal with Village Hall items has now been passed to the Clerk.
- The internal controls for receiving payments for the Village Hall, and the method of recording those payments, is currently being examined.