

NOCTON PARISH COUNCIL

Clerk to the Parish: Mr S R Baxter JP MIFA ADPS ADIP Email: clerk@noctonparishcouncil.gov.uk Tel: 0781 444 3058

RESPONSES AND PLANS BY THE PARISH COUNCIL FOLLOWING THE INTERNAL AUDIT 02 & 03 JUNE 2021

18 June 2021

Point 1	<i>Opening Balances are entered into the cashbook to ensure that it is up to date and records the Council's cash position</i>
<p>The Council uses receipts and payment records rather than the traditional single cashbook. The opening cash position is clearly shown on financial reports in the bank reconciliation. The monthly cash position of the Council is clearly detailed in the bank reconciliation as it shows the bank balance position against the income and receipt reports position. Thus, not only does the full financial report show the cash position of the Council every month but also links to the budget positions.</p> <p>While the RFO can understand that the cash balances could be included in the actual receipt and payments cashbooks, as it is clearly detailed in the financial reports it is felt not needed in the cash book as well.</p> <p>Responsibility: RFO to advise the Council of the current set up and ask for a review if considered not suitable</p> <p>Timescale: Within 2-3 months.</p>	

Point 2	<i>Goods and services for the Hub are clearly invoiced to in the name of the Hub (as well as the Parish Council) and clearly marked in the accounts</i>
<p>The Council staff and I have now agreed a procedure where all items that are ordered or received for the Hub, will have the PC and the Hub named. We will also ensure that all the utility accounts are amended to include the Hub name.</p> <p>In regard to the Hub financials, while the costs and income will still be included in the main PC accounts as the PC is the owner of the Hub, there will be a separate financial report linked to the main accounts which will show the Hub specific finances. This will allow the Council to see the Hub financial performance as well as the overall Council finances.</p> <p>Responsibility: RFO to construct the Hub Financial Report and then produce this with the monthly Council finance report.</p> <p>Timescale: June / July 2021</p>	

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Points 3 & 4	<i>Council adopts the Standing Orders based on the NALC model and tailors these to the Council's requirements. Any financial requirements contained within the standing orders must correspond to the Financial Regulations to also ensure that the acquisition of formal tenders between Standing Orders and Financial Regulations are consistent.</i>
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The Council are scheduled to review all the policies and the standing orders in the autumn of 2021 – as part of the reviews the Council will ensure that the recommended adoptions are brought into the review to ensure full compliance.

Responsibility: The Clerk initially and then the Full Council

Timescale: During the period of late 2021

Point 5	<i>A suitably designed accounts authorisation stamp should be used for all invoices, providing evidence as checks as required by the Council's financial regulations</i>
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The Council will consider a digital stamp rather than a physical one – there will be fewer physical invoices and more emailed / scanned invoices.

Responsibility: The Clerk to recommend the system and then the Full Council to agree

Timescale: 2-3 months

Point 6& 7	<i>That the VAT entry of £15.60 is reclaimed with the next VAT reclaim submitted by the RFO and that the VAT reclaim is submitted for the period covering December 2020 to 31 March 2021.</i>
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The last VAT claim was made in November 2020 and the payment made by HMRC. The next VAT claim will be for the period of December 2020 to end of November 2021 which will be for a full year. The claim will ensure that £15.60 stated is added to the claim.

Responsibility: The RFO

Timescale: Anticipated in December 2021

Point 8	<i>A Corporate Risk Assessment (CRA) Policy is introduced and adopted by the Council to cover all financial and reputational risks that the Council are exposed to</i>
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The Council recognises that a CRA Policy is appropriate and will be discussed, developed and agreed. The CRA policy work will review the financial risks as well as any reputational issues / risks and then present a policy which as much as possible mitigates the risks.

Responsibility: The Clerk initially and then the Full Council

Timescale: Anticipated that the work will be initially undertaken in 3-4 months by the Clerk but then formally discussed anticipated in September.

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Point 9	<i>That the council carries out a review of the effectiveness of its internal control systems to part comply with the annual governance statement</i>
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Following various issues identified in recent financial and operational investigation by the RFO, together with the recommendation of the Internal Auditor, the Council will be completely reviewing the operational governance and systems in addition to the review of the policies of the Council. This review and new procedures enactment will be quite wide ranging but it is felt it is needed to ensure that proper governance and process is followed to ensure the Council follows its statutory duties and moral obligations.

Responsibility: The Clerk to conduct the review followed by the wide ranging recommendations put to the Full Council

Timescale: 3-4 months. Clerk's aim to present recommendation to the Council in

Point 10	<i>That a copy of the signed contracts of employment are retained by the council</i>
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The contracts of the most recently appointed staff (Clerk, Hub Manager and Hub Cleaner) are in the files held by the Clerk. There will be a review of the records held to ascertain if the signed contract of the Village Keeper is held (as currently only unsigned copy held in digital records). Should the signed copy not be found, then the role holder will be asked to sign an update copy to ensure that the personnel file of the Council holds all signed staff records.

Responsibility: Clerk and Chair of Personnel Committee

Timescale: July / August 2021

Point 11	<i>That the pay is reviewed for the Village Keeper and Dog Warden in accordance with the legal requirements to comply with the legal minimum wage</i>
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The following salary was reviewed as part of the audit response:

- March 2021: total pay received £377.84 (£4,534.08 per annum) which equated to £8.71 per hour. Statutory minimum wage was £8.71.
- May 2021: total pay received was £386.07 (£4,632.84 per annum) which equated to £8.91 per hour. Statutory minimum wage is £8.91.

Therefore, the Village Keeper is being paid the statutory minimum wage and thus the Council is meeting its legal obligations.

Responsibility: RFO

Timescale: Already completed – no action needed.

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Points 12 -14	<i>Asset Register and Policy</i> <ul style="list-style-type: none">- <i>That the council considers an asset register policy based on the guidance contained within the practitioners guide that relates to asset management and all fixed assets purchased during the financial year are added to the register</i>- <i>That the asset register includes a replacement value column to determine the replacement cost of an asset for insurance purposes.</i>- <i>That the asset register includes a clear audit trail to identify the changes in the asset register value from each financial year</i>
<p>Due to the pandemic and the need to minimise travel, the review of each asset on the asset register has not taken place. Thus, the Council had to take the details as at the end of 2019/20 as the carried forward details. The Council have planned a full review of the assets the Council holds in particular the value and replacement value which then will tie into the up to date asset register.</p> <p>The Council will be formulating a new Asset Management Policy which will then feed into the significant reformatting of the Asset Register. The Asset Register redesign will include both the physical review of the actual assets, the replacement value as well as the depreciation or appreciation of asset value over a specific time period. The Policy will also have a specific procedure of how assets are checked on an annual basis as well as the process of noting disposal of assets.</p> <p>Responsibility: RFO and Chair of the Finance Committee</p> <p>Timescale: 3-4 months</p>	