

Councillor “financial audit/check” 26th March 2021

1. Summary

No material financial irregularities were found. There were no inappropriate payments and no double payments and no residents’ money was misused.

2. Scope of audit

- 2.1. 100% of payments showing on the current account were checked to verify they were backed by an invoice/claim/payroll calculation
- 2.2. 100% of payments were checked to establish that the parish council had authorised them or reviewed and agreed them post payment
- 2.3. Transfers from the two non-current accounts were checked to ensure that they only went into the current account.
- 2.4. Income was checked to ensure it all came from legitimate sources.
- 2.5. Sample checks were made for prior authorisation by the Council of expenditure made by the clerk
- 2.6. Sample checks were made to ensure that payments were made in line with purchase orders/contracts

3. Context of the year

The financial year was impacted by coronavirus lockdowns and health challenges. Only one of the Councillors is under the age of 60 and the Clerk is also almost 65 years of age. Some had underlying health conditions. Hence, those involved with the council were all in high-risk groups. Council meetings were via zoom to minimise social contact. This was not totally satisfactory and reduced interaction and the ability to observe documents collectively.

The Council opted to use a trial on-line banking system as its standard method of making payments but the Nat West banks system only allowed for a single councillor to approve payments set up by the Clerk. Initially, that was only a single councillor (the vice Chairman) but now more councillors can approve payments and more importantly see the bank statement and those receiving payments.

In view of the above conditions a check of every single payment was made during this Councillor “audit/check” rather than a sample. In that way the Council can assure itself that no money has been misappropriated/misapplied.

4. Issues found

- 4.1. Early in the year, the councillor authorising payments did not initial invoices to show that they had been read. A review of Council processes when additional on-line banking authority was given and a better understanding of health risks and regulations was obtained, those authorising payments are now required to initial printed copies of the invoices sent to them electronically and that process is being undertaken.
- 4.2. Two payments were made to suppliers without them being formally approved as shown in Council minutes as follows
 - 4.2.1. An electronic payment for £1689.60 to Midland Forestry. This was for emergency tree work. The Clerk had emailed councillors stating his intention to authorise the work unless objections were received. None were received and some Councillors confirmed their agreement by email. The Clerk reported that the work had been done in the

January 2021 meeting (Item 16d) but for reasons that are not clear did not record the use of delegated powers to pay the invoice (there was no meeting in December).

4.2.2. An electronic for £95.28 to ICS printing. This was for an order for printing of the submission version of the Solihull Plan. Copies were needed so that it could be studied and a formal response made within a set timescale. This was an emergency purchase and the copies were for Councillors who did the work of preparing the response to the draft Solihull Plan. Councillors were aware of the purchase because they had been asked if they needed a copy. The terms for ICS are payment on pick up of the printing. This payment should have been reported to Council for post event authorisation in January 2021 but was not.

4.2.3. These are minor administrative errors that did not put council finances at risk because councillors were fully aware of the purchases. It is worth noting that the Clerk was in severe pain for several months, including January, from a shoulder injury which badly impacted sleep and he was taking very strong pain killers. However, service to the council and residents did not falter.

5. Notes from audit

5.1. Orders checked versus payments

Name	Contract date	Contract value in order	Payment made
RSK Biocensus	12/11/20	£2500 plus VAT	£3000
Midland Forestry	15/12/20	£1704 inc vat	£1.704
Midland Forestry (as adjusted for work actually done which was not the full amount)	17/9/20	£1408 ex VAT	£1408 ex vat
JMH	Original 2/3/19 but with two subsequent additions	For the current year £1785 or £223.13 per month	7 payments of £223.13 with March 2021 invoice not submitted.

5.2. Template Check

The purpose of this is to check that the template for payment on the Nat West system ties up with the account number given by the supplier. Eight were checked and all were OK.

Wheetman	JMH	Dawson	Bill Robinson
RSK Bio	Joyner	Midland Forestry	WALC

5.3. Purchase approvals

The following were checked to see that they had purchase approval in the minutes. They are all big expenditure items.

JMH (additional ground maintenance work i.e. Spencers Lane roundabout)	RSK Bio Ecology work	Midland Forestry Tree work. One done on emergency powers the other preauthorised.	New clerk's computer
Expenditure on phone box renovation	Dawson (Graveyard mowing)	Grants to Heart of England Berkswell School Berkswell Society	Lee Miller roofing Cost was lower. Spec changed as a result of advice from Conservation Officer hence cost was lower than authorised.

5.4. Income received

One payment of £15 was received from the Chairman. Paperwork (email) showed the reason for this and it was legitimate. Other income was from SMBC, HMRC (VAT refund) and interest.

Andrew Burrow

26th March 2021