

Elmton with Creswell Parish Council

Introduction

The audit has been carried out remotely on a sample basis of documents provided by the Locum Clerk, also through information available on the Council's website, Chat GPT and from matters raised with the Locum Clerk during a MS Teams meeting on 27th May 2025. During the audit reference has been made to the 'Practitioners' Guide' and the DALC Internal Audit Checklist has been used.

Audit

The following were reviewed:

- Accounting Records and Council Minutes
- Compliance with Standing Orders and Financial Regulations
- Risk Management and Insurance
- Budgets and Reserves
- Income and VAT compliance
- Staffing and Payroll arrangements
- Asset Control
- Compliance with Transparency Code
- Key governance documents

Outcome

I have been unable to verify the figures presented on the Annual Return. Box 3 Total Receipts and Box 6 Other Payments have been presented as minus figures. In addition Box 8 does not agree with the Bank Balances at 31 March 2025.

The Council should be aware of the Transparency Code for Larger Councils (over 200K) and there are a number of matters to bring to the attention of the Council which need to be dealt with before the next annual audit.

1. The Council has put Scribe software in place and the accounts should continue to be reported on an income and expenditure basis. Members should be provided with monthly bank reconciliations and monthly income and expenditure reports.
2. The Councils Standing Orders, Financial Regulations and other policies should be reviewed. The review should consider the alignment of tender thresholds in Standing Orders and Financial Regulations.
3. The Locum Clerk advised that a number of debit cards have been issued on the Virgin Bank Account but their whereabouts are unknown. It would be prudent to cancel these cards.
4. The Risk Management Plan on the Councils website is dated March 2019. I can not see in the minutes that this has been reviewed by the Council in the 2024/25 financial year. This should be reviewed and I would suggest on at least a quarterly basis and possibly more frequently given the Councils current position
A Risk Assessment is in place but needs to be updated to take account of the Councils current financial position and exposure.
5. The Locum Clerk advised that wardens undertake weekly play equipment inspections and that there is an annual independent inspection. I would suggest that the wardens attend one of the DALC playground inspection courses if they have not already done so.
6. The Council failed to prepare a budget in the financial year and I am aware that the Locum Clerk has now prepared budget information. The Council should look to produce a budget to support the 2025/26 Precept.
7. There should be a monthly monitoring of the budget regime put in place and variances of over 15% should be reported to the Council.
8. I could not find a minute where the Council agreed the Precept amount and it should be noted that the Precept amount should be agreed at a Full Council meeting with the amount noted in the minutes.
9. The Locum Clerk advised that the Council should be able to meet the reserve requirement at the year end, but this should be kept under review by the Council.
10. VAT is reclaimed through the Scribe accounting system under Making Tax Digital. However, three deadlines have been missed and a penalty has been incurred by the Council as a result of this. The Locum Clerk reported that Scribe have confirmed that all VAT has been handled appropriately.

11. Cash has historically not been banked and used to purchase items and pay staff wages. Cash received should be banked and separate payments made for purchases so that income and expenditure is clear in the accounts.
12. There is an outstanding debt of £24,000 for room hire which needs to be addressed as a matter of urgency and if needed a debt repayment plan put in place. Invoices for room hire should be raised on a monthly basis and it is possible to do this through the Scribe software. This will enable the Council to track any bad debts and take appropriate action at an early stage.
13. If petty cash continues to be used it should be for minor expenditure only and accounted for appropriately.
14. All permanent members of staff now have contracts of employment. The zero hours staff need to be issued with contracts of employment.
15. The Council have a Disciplinary Policy on the Councils website but I could not see a Grievance Policy, I could not see a Health and Safety Policy and this needs to be addressed. I could not see that any of the Policies have been reviewed in the financial year and a review should take place.
16. The Council should look to undertake annual staff appraisals once permanent staff are in post.
17. The Council should look to adopt a Training Policy. Council members need to be fully aware of their governance roles specific to being a Parish Councillor together with the distinct differences in the roles of elected members and staff.
18. The Council has a published Asset Register but there are no values/insurance values which need to be added.
19. For land and building assets the Council need to publish a unique property reference, name and address of the asset, map reference (some Councils use 'What3Words'), if the asset is freehold or leasehold and if the asset is land only or land with a permanent building. A procedure needs to be put in place to value assets and ensure that they align with the Councils Insurance.
20. A schedule of accounts for payment is not published with the minutes and this should be added to the minutes together with reporting of the Councils bank balances each month as a requirement of the Local Government Transparency Code.

The Council should agree annually a list of payments to be made by standing order and direct debit together with amounts of the payments.

The following items of expenditure exceeding £500 should be published – individual invoices, items on cards, grants and grant payments, expense payments, payments for goods and services, rent and transactions with other public bodies.

For each item of expenditure the following information should be published – date, beneficiary, purpose, amount, VAT that cannot be recovered and purpose.

The Council should publish details of every invitation to tender to provide goods and services with a value exceeding £5,000.

Details of any contract commissioned activity, purchase order, framework agreement or any legally enforceable agreement with a value that exceeds £5,000

The Council should look to put a Procurement Policy in place

Details of any S137 grants made should be published with date, beneficiary, purpose and amount.

Details of Councillors responsibilities should be published on the Councils website.

21. The Council should ensure they agree and publish the Annual Governance Statement and Accounting Statements by 1st July. They should also confirm publication of External Auditor report and Notice of Conclusion of Audit by end September, all on the Councils website.

22. I found it difficult to understand decision making from the minutes and a more robust procedure of reporting should be put in place.

23. I could not find the Councils registration with the ICO following a search of the ICO site and this needs to be confirmed if it is in place and if not the Council should ensure it is registered.

With regard to burial grounds and arrangements, I have looked at the following areas:

1. That charges are being made in line with the council's published fees and charges.
2. That the cemetery accounts are balanced.

Should the council wish to explore a more detailed review of burial ground management next year, please can they notify DALC in advance so arrangements can be made accordingly.

I would like to record my thanks to the Locum Clerk, Matthew Evans for his help in carrying out the audit and providing information in a clear and concise manner.

I would be happy to discuss any of the above matters further with the Council or the Clerk if this is considered necessary.

SS Stockdale .

Suzan Stockdale

26 June 2025

The Audit has been carried out as part of the DALC Internal Audit Team