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Mr R McCarthy

Chairman, Aldbury Parish Council

Dear Mr McCathy,

Yesterday I met Mrs Turczyn, for whose welcome I am grateful, to undertake the Internal Audit examination of Aldbury Parish Council in respect of the year ended March 2019. All of what follows was discussed with her.

Mrs Turczyn has only recently taken over the role of Clerk and was not responsible for much of the year’s activity. In general the accounts are in good order, but I have to draw your attention to a number of points.

1. Bank Reconciliations

I have written before that the reconciliations and the corresponding bank statement(s) should be signed and dated by a Councillor to confirm they have both been seen and that they agree.

This is still not happening consistently.

The reconciliations should be kept with the principal statements to which they relate.

2, Accounting System

A series of entries were made into the payments system on 31 March, presenting as expenditure a total of £2500 described as transfers into various sinking funds or earmarked reserves.

These should not be regarded as expenditure, nor reported as such. Earmarked Reserves are what they say – appropriations out of the general reserve, but only become expenditure when the debt to the supplier is actually incurred.

Happily this amount did not appear in the final Accounting Statements, but the total expenditure in the system’s page where the entries were made differed from the same total elsewhere, which led to an unnecessary degree of confusion.

…/…

Last year, in his response to my report, your predecessor wrote that your Council was considering adopting a bespoke accounting system, which I would applaud. I would be interested to learn what became of this idea.

1. Payroll

I wrote on this matter last year.

This refers only to the pay of the Clerk, whose pay varies according to the number of hours worked. The Clerk advises the Chairman of this number who approves it in writing. The Clerk then passes this information to the payroll agency which generates the payslip, from which the Clerk initiates the payment procedure.

It is most unusual for an employee to instruct the agency on her own pay. The advice to the agency should come from the Chairman or other senior councillor and I recommend accordingly.

1. Risk Assessments

I wrote last year that I had two concerns here. Mrs Turczyn has not been in post long enough to address them.

4.1 All the risks identified related to administrative matters. There was nothing about physical risks – the pond, trees, use of machinery, etc.

4.2 As is frequently the case with risk assessments, there was no evidence of the necessary actions identified having actually been carried out.

I recommend that records be kept of the actions taken, particularly in relation to the physical records, and a summary be compiled and reviewed at the same time as the assessments themselves are considered by the Council.

The standpoint which should be adopted is that a major incident has occurred and there is a need to defend the Council’s actions and procedures. There should be adequate records for this purpose

I should be pleased to answer any questions you or your members may have on this report.

Yours sincerely,



E. G. Newhouse