

Highmoor Parish Council
Actions following IA's Recommendations 2022-2023

Annual Return Section	Process	Findings	Recommendations and actions	Completed Actions by HPC
A	Bookkeeping Arrangements	Appropriate books of account have been kept properly throughout the year and are well maintained with audit trails.	No further recommendations.	N/A
B	Council's Financial Regulations have been met with regard to expenditure	The Council's Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure. Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for.	No further recommendations.	N/A
C	Review of Internal Controls	The Council does not have adequate provision.	Adopt a policy for Internal Financial Control and appoint a Councillor who should check all processes against the policy at least three times a year.	Cllr R Stacpoole to be appointed as Cllr to check processes against policy at HPC meeting on 6 December 2023
C	Review of Risk Assessment	The Council has not assessed the significant risks to achieving its objectives using their Risk	Ensure that the Risk Assessment is reviewed annually – preferably at the beginning of the Financial Year	Risk Assessment to be approved at the HPC meeting on 6 December 2023 and be reviewed on an annual basis.

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		<p>Assessment.</p> <p>A document is available on the website, but it is out of date and was not reviewed during the year.</p>	<p>in order that it can be used as a working document throughout the year.</p> <p>JPAG recommendations should be used (currently starting at 5.89 and criteria 5.91).</p>	
D	Budgetary Controls (Precept requirement)	The annual Precept requirement resulted from a budgetary process.	The setting of the budget and Precept must have their own agenda items and be agreed at Full Council.	Noted and will be on HPC agenda on 6 December 2023.
D	Budgetary Controls (Budget monitoring)	Progress against the budget was monitored and minuted regularly.	No further recommendations.	N/A
D	Reserves were appropriate	Reserves required more explanation.	It is good that the Council has Reserves, but the Council should demonstrate the need.	Reserves Policy to be amended and approved at the HPC meeting on 6 December 2023.
D	The final outturn is in line with expectations	The final outturn was materially in line with expectations.	No further recommendations.	N/A
E	Income controls	Expected income was fully received and properly recorded.	No further recommendations.	N/A
E	VAT	VAT had been appropriately accounted for.	No further recommendations.	N/A
F	Petty cash controls	Petty cash is not operated	No further recommendations.	N/A

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		by the Council.		
G	Payroll controls	Salaries to employees were paid in accordance with Council approvals. It is not clear whether the Parish has registered as an employer with HMRC.	The Council should set up the recording of staff salaries with HMRC as soon as possible. Specialist advice on setup may need to be sought from OALC.	To be actioned.
H	Asset Controls - all material assets correctly recorded	The asset register was published in April 2022 but as it does not appear that any items have been added it is up-to-date.	The Asset Register must be published annually as part of the year end figures.	Completed.
H	Asset Controls - all additions and removals correctly recorded	No items were added or removed.	No further recommendations.	
H	Asset Controls - all Deeds and Titles established and shown on register?	It is not clear whether appropriate Deeds and Titles have been established; they are not shown on the Register.	Ensure that all Deeds and Titles are established	To be actioned.
H	Investment Registers	No investment register was required.	No further recommendations.	N/A
I	Bank Reconciliations	Periodic and year-end reconciliations were properly carried out.	No further recommendations.	N/A
J	Accounting Statements	The Accounting Statements prepared during the year were prepared on the	The audit trail processes should be reviewed to ensure accuracy.	Noted

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		<p>correct accounting basis and were supported by an adequate audit trail.</p> <p>However, there is a discrepancy of £17 between the year end bank statements and the closing figure of Line 7, and therefore the final balance does not agree with the cash book. An allowance of £2 is given, £17 is too much.</p>		
K	Limited Assurance Review Exemption	The Council meets the exemption criteria.	No further recommendations.	N/A
L	Information published on website	The information is available.	Ensure that the Transparency Code is reviewed to include all documents required.	Has already been addressed.
M	Exercise of Public Rights	The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 1 June to 14 July.	Ensure that the notice is published on the noticeboard and the website and that the dates cover 30 working days which includes the first 10 working days of July.	Noted.
N	AGAR publication Requirements	The Parish Council complied with the publication requirements for the 2021/22 AGAR.	No further recommendations.	N/A
O	Trust funds (If	The Parish Council does not	No further recommendations.	N/A

Annual Return Section	Process	Findings	Recommendations and actions	Completed Actions by HPC
	applicable) – the Council met its responsibilities as a trustee	operate as a trustee.		

Transparency Compliance

Process	Criteria	Findings	Recommendations and actions	
Review of Internal audit action plan has been considered and actioned?	Good Practice	The Internal Audit had not been reviewed the previous year.	Ensure that the Internal Audit is reviewed in terms of implementation of guidance and for effectiveness.	IA Report and recommendations for 2022/2023 on agenda for HPC meeting on 6 December 2023.
Accounting Statements agreed and reconciled to the Annual Return	Section 2 of the Annual Return is complete and accurate and reconciles to the statement of accounts.	The accounting statements in this 22/23 annual return are not totally accurate in that Line 7 is not correct. The other figures represent the financial position of the Council and its income and expenditure.	Ensure that Line 7 of Section 2 balances with the year end (31 March) bank statements.	Noted
Compliance with the Transparency Code	As the Parish falls into the criteria for Councils below the £25k threshold, it must conform to the criteria and publish the items below.			

Process	Criteria	Findings	Recommendations and actions	
Compliance with the Transparency Code	1) Expenditure over £100 is recorded on the Council website and with all information requirements	Available in the minutes.	No further recommendations.	N/A
Compliance with the Transparency Code	2) Annual Return published on the website	Available on the website.	No further recommendations.	N/A
Compliance with the Transparency Code	3) Explanation of significant variances	Available on the website, but only if you know what you are looking for.	Publish all the year end documents in the Finance area of the website.	On web site.
Compliance with the Transparency Code	4) Explanation of difference between Box 7 & 8 if applicable	Not applicable.	No further recommendations.	N/A
Compliance with the Transparency Code	5) Annual Governance Statement recorded	Available on the website.	No further recommendations.	N/A
Compliance with the Transparency Code	6) Internal Audit Report Published	Available on the website.	No further recommendations.	N/A
Compliance with the Transparency Code	7) A List of Councillors' responsibilities	Available on the website.	No further recommendations.	N/A
Compliance with the Transparency Code	8) Details of Public Land and Building Assets	Not currently available for 22 / 23	Publish on the website.	Completed.
Compliance with the Transparency Code	9) Minutes & Agenda	Available on the website.	No further recommendations.	N/A

Other issues

Process	Action
The Council should undertake a review of effectiveness as per Regulation 6 of the Accounts and Audit Regulations 2015.	IA report and actions to be considered at the HPC meeting on 6 December 2023.
Membership of OALC	Completed
As part of GDPR, it is recommended that all Councillors should use the email addresses provided for them by the Council – preferably from the Council’s domain name in order that the Clerk (as Proper Officer) has the ability to manage them.	Contact has been made with Parish On-Line. To be considered on 6 December 2023 at PC meeting.
The Council should consider supporting the Clerk in joining the Society of Local Council Clerks (SLCC)	To be actioned when permanent Clerk is appointed.
The Clerk should be supported in any training which he requires; of particular use to start would be the Introduction to Local Council Administration (ILCA) or FILCA (Financial Introduction to Local Council Administration together with any courses provided by OALC and SLCC.	To be actioned when permanent Clerk is appointed.
Code of Conduct	To be approved at HPC meeting on 6 December 2023 and then included on the HPC web site.
Section 1 of the AGAR should not be completed before receipt of the signed Annual Internal Audit report. The only section which the Internal Auditor requires to see are the Section 2 Accounting Figures. It is for the Council, as a corporate body, to complete Section 1 – the Annual Governance Statements – once the Internal Audit has been received and considered.	Noted for 2023/2024.

Process	Action
<p>More significance made of the budget and precept setting. The overall budget totals (both income and expenditure) should be minuted and a draft budget published for consideration. For clarity, once the budget has been considered, the total amount of Precept should also be minuted. It then helps to clarify the amount requested is the amount deposited by the District Council and also makes sure that the outturn at the end of the year is in line with expectations.</p>	<p>Noted. Budget and precept to be considered by HPC on 6 December 2023.</p>
<p>I noted that the Council had reserves but that much of these were not currently earmarked for specific projects. I strongly recommend that much of the general reserve is allocated to earmarked reserves as, moving forward, the Council could find it difficult to justify the Precept with the current levels. Advice on allocating reserves is published in the Joint Practitioners Guide. This is an annual publication and as my comments relate to reserves moving forward I recommend reading section 5.</p> <p>I also recommend that the Council adopts a Reserves Policy which is reviewed annually in order to explain the different types of reserves and record the levels of the Reserves appropriate for the year.</p>	<p>Reserves Policy approved on 10 May 2023 but to be updated on 6 December 2023.</p>
<p>I understand that the Council is reviewing the banking provision to ensure that the Clerk is able to administer the account. If the current provision is not satisfactory, I recommend looking into alternatives.</p> <p>Once the mandate is up-to-date, I recommend obtaining a payment</p>	<p>Bank mandate has been updated.</p> <p>Will investigate Unity Trust Bank.</p>

Process	Action
<p>card (either debit or charge card) on the account in order that items such as Office 365 or anti-virus software can be ordered online in the Parish's name without the need to resort to the Clerk or other Councillor having to use their personal accounts. With the appropriate safeguards and procedures this would be acceptable.</p> <p>The bank signatories should be reviewed annually.</p>	
<p>While the Clerk/RFO is responsible for the day-to-day running of the Parish, the Council should be reminded that, as a corporate body, it is the Council which is responsible for financial governance and this responsibility should not be taken lightly. I recommend that a Councillor Responsible for Internal Financial Control is appointed and an Internal Financial Control policy adopted.</p>	<p>Councillor Richard Stacpoole to be appointed on 6 December 2023.</p>
<p>The Council should be commended for registering with the Information Commissioner. The ICO's requirement is that the Council adopts a Freedom of Information Publication Scheme. This document is available as a template for completion on the ICO's website.</p>	<p>Registration Complete.</p> <p>Publication Scheme on agenda for 6 December 2023.</p>
<p>I noted that the Clerk held many paper documents which would need to be weeded. A Document Retention policy should be adopted to assist in items to archive.</p>	<p>Document Retention Policy on agenda for 6 December 2023.</p>
<p>As part of GDPR, it is recommended that all Councillors should use the email addresses provided for them by the Council – preferably from the Council's domain name in order that the Clerk (as Proper Officer) has the ability to manage them.</p>	<p>Parish On-line has been contacted and is able to set up .gov.uk email addresses.</p>