

**Patrick Dawson**

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Clerk to South Stoke Parish Council

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**Ref: Internal Audit South Stoke Parish Council**

Dear Parish Council

I conducted an internal audit for the Parish Council on 1<sup>st</sup> May. I was able to sign the Annual Internal Audit Report 2023/24 positively, apart from item F. This is in regard to Petty Cash. As the Parish Council does not use Petty Cash, the item was marked as Not Covered.

The audit was generally satisfactory and compliant with policy and rules. It appears that the recommendations from last year's Internal Audit have largely been implemented.

Some very minor points had been raised by the external auditor regarding the timing of making available documents under the Accounts and Audit regulations. I have investigated these and save for the typographical error in the Date of announcement Sunday 5th June 2023 which should have been Sunday 4th June when the Notice was actually displayed on boards and Website, all proper provision during the year 2023/24 for the exercise of public rights was made. Therefore, I have answered YES to question M, and have instructed the Council that they should answer YES to Assertion 4 of the Annual Governance Statement for 2023/24.

I would like to raise the following observations with the Parish Council.

Banking

The move to electronic banking has largely been successful. There is however a risk that improper or unauthorised payment could be made as the checking system by Councillors is not as robust as it should be.

To address the question of checking the receipts and payments, I would suggest that only one payment run is made each month on the 27<sup>th</sup> of the month. This would mean that invoices would need to be received by 20<sup>th</sup> of the month so that email approval can be made in time. In addition, it should be made clear to contractors that this new system is being implemented at the time that orders are placed.

I would also suggest that the Councillor designated to check the RFO report and accounts, should logon to the bank account on a monthly basis to ensure that no improper or unauthorised payments have been made. For consistency's sake, this should be the same Councillor throughout the year.

If Councillors agree, then the Financial Regulations should be updated.

#### CIL

There are some differences on the CIL analysis between the RFO Report (the receipts and payments account and bank balance) and the CIL Annual Levy report. On the RFO report payments for the year amount to £31635 whereas on the Annual Levy it is showing as £36872. The Bank Reconciliation is showing an unspent balance of £20006 whereas on CIL Annual Levy report it is showing £17422 (before the Village Hall chairs allocation). These figures may well be correct but at the very least are confusing and should be explained. I understand that this pertains to the recovery of VAT. It would be appropriate for this to be used on infrastructure project such as the repair of the churchyard wall.

#### Clerk

As part of looking at the risk assessment, the Parish Council Clerk suggested that he may wish to retire in the next few years. I understand that he wishes to recruit an assistant. This seems a sensible approach especially given the expanding nature of the Parish which has and will continue to increase the Clerk's workload significantly as the Sulis Down development becomes fully occupied. I hope that progress on recruiting a suitable assistant together with appropriate training can be organised in the first half of the 2024-25 year.

#### IT systems and security

No progress seems to have been made since the last internal audit. Again, the Clerk's computer is nearing the end of its life and needs replacing but I note that budget for the 2024-25 financial year has been allocated. The filing of records should be reviewed and moved onto a cloud-based system. This would include all of the financial records. However, the new website has offered a secure area and partially resolves this need.

#### Website

The new website is a huge improvement and provides all residents with the statutory information in a clear and precise layout. However, there are some typos and areas that should be updated – "Our function" tab is referencing the 2019 precept and there are a lot of items in red on the Financial Regulations page.

All other matters were satisfactory, and I have completed the requisite documents.

# REDACTED

Patrick Dawson