

Signed

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Dear Councillors,

Internal Audit 2022/23

Overview

The information provided to me for the audit was comprehensive and the Parish Council's accounting records and financial control procedures were found to be satisfactory in all important respects, but I wish to draw the Council's attention to the following:

Car Park Income

This is by far the Council's largest source of income. It arises from a large number of small transactions, and 47% of the car park receipts in the year were in cash. For these reasons there is a significant chance of errors arising, and the audit included detailed checks of the accuracy of the reported totals. Apart from a small discrepancy in the VAT, the figures were found to be correct.

The car park income is collected through two parking meters, which are of different makes, and payments for card receipts are made to the Council in different ways. With the Metric meter, payments are made to the Council as gross receipts and Metric charges for its processing costs separately. With the Flowbird meter, payments are made to the Council after deducting processing costs, although a statement is provided with each monthly payment showing the amount of the costs. Only one element of the costs is subject to VAT, and in future the costs should be separated out so as to record the costs and the VAT correctly. The Council should obtain invoices from Metric so as to know whether their costs include VAT.

It is good accounting practice that receipts and payments should not be off-set against each other, and the draft Receipts and Payments schedule has been amended to show the car park receipts as the gross amount (net of VAT) and the parking meter costs as payments.

The processing costs charged for the Metric and Flowbird meters are 5.1% and 10.9% of income respectively. This implies that, from the perspective of processing costs, if one meter is to be disposed of, it would be better to lose the Flowbird meter. However, I understand that the Flowbird meter is more reliable, which is an important factor since, if there were only one meter, having the meter out of action for a day or more would cause a considerable loss of income.

The Flowbird meter was up-graded during the year. Before the up-grade, Flowbird said in an email that the processing charge of 25p per transaction would be approximately halved following the up-grade, but this did not happen. I recommend that Flowbird is challenged to comply with their undertaking.

Car Park Refurbishment

The car park was resurfaced during the year at a cost of £65,724, which was paid from the Maintenance Fund established for that purpose. 5% of the contract value has been retained. The Fund is being topped up each year as a reserve for future maintenance work.

Risk Management

Risk management is an important element of financial management. I recommend that the Finance Committee should have responsibility for:

- a) Reviewing the adequacy of the insurance policy in conjunction with the insurance broker when the policy is due for renewal.
- b) Each year, reviewing the adequacy of the written risk assessments and considering whether the risk assessment requirements have been met.
- c) Reviewing the quarterly transaction reports and monitoring receipts and payments in relation to the budget

In each case, the conclusions should be reported to the Council and recorded in the minutes.

Website

The Government places great emphasis on transparency. Every Local Authority is required to have a website, which is the primary means of informing parishioners and other members of the public about the Council's members, meetings, decisions, finances and policies. It is obviously important that the website provides information that is comprehensive and up-to-date. The Transparency Code sets deadlines for the publication of certain items of information.

There are a number of omissions on the Council's website. In particular, the list of Councillors is not up-to-date, and the membership of committees and working groups, and representation on external local public bodies, need to be shown. It is the responsibility of all Councillors to check that website content is adequate and accurate.

Yours sincerely,



Michael Green FCMA
Internal Auditor