



Studley Parish Council
Minutes of Studley Parish Council Meeting
22nd June 2021, 7.30pm
Council Chamber, Studley Village Hall

Members were present in person, the meeting was live-streamed via Zoom for members of the public.

Members present... Cllr C Summers - Chairman, Cllr M Osborne - Vice-Chairman,
Cllr P Beaman, Cllr J Beard, Cllr P Hencher-Serafin, Cllr A Smith

.. not present Cllr S Crofts, Cllr B Dixon

Attending: Two members of the public
Acting Clerk/RFO G Lungley

Agenda item 1. Chairman's welcome.

Min no. 270 The Chairman welcomed all to the meeting and read out a response to recent adverse media comments. He provided an assurance that despite recent changes the council would ensure residents and the community are served with quality and he thanked members and officers for their efforts.

Agenda item 2. To receive apologies from absent Parish Councillors (if any) and the reason for absence

Min no. 271 Cllr S Crofts (annual leave), Cllr B Dixon (personal reason accepted).

Agenda item 3. Co-option of two new councillors

Min no. 272 Four applications had been received for the two current vacancies created by the resignations of Brian Crow and Sue Redman. Ballot papers were circulated, and the resulting vote was in favour of co-opting David Collett and Andrew Rainbow. As neither was present, it was **AGREED** to allow the newly co-opted members to sign their Declaration of Acceptance of Office prior to taking their seat for the next meeting of the council.

Agenda item 4. Declarations of Interest

Min no. 273 No member declared either a disclosable pecuniary interest or another registerable interest.

Agenda item 5. To consider grant of any dispensation request

Min no. 274 There was no request for dispensation.

Agenda item 6. Public Forum Residents are invited to give their views and ask questions of the Parish Council on issues on this agenda or raise issues for future consideration.

Min no. 275

- a) The Chairman of the Studley Tennis Club asked members to consider providing grant funding to support the provision of junior tennis coaching for five weeks during the summer holidays. The Acting Clerk would forward an application form.
- b) District Ward member Neil Edden had sent apologies for non-attendance. Reports: as appendix 1.
- c) County Division member Justin Kerridge had sent apologies for non-attendance. Report as appendix 3.
- d) District Ward member Peter Hencher-Serafin report at appendix 2, plus:

- i) Railings outside Nisa, High Street are to be marked out by WCC Highways and funded by Allelys – this to improve pedestrian safety.
- ii) Hedge opposite Railway Inn is best maintained by both owners on their respective sides.

Agenda item 7. Approval of draft minutes from previous council meetings

- Min no. 276**
- a) The minutes of the council meeting held 19/05/2021 were approved by all voting, proposed Cllr M Osborne, seconded Cllr J Beard.
 - b) The minutes of the council meeting held 26/05/2021 were approved by all voting, proposed Cllr A Smith, seconded Cllr M Osborne.
 - c) The minutes of the council meeting (planning) held 09/06/2021 were approved by all voting, proposed Cllr M Osborne, seconded Cllr A Smith.

Agenda item 8. To comment on Planning Application consultations notified by Stratford District Council.

- Min no. 277**
- It was noted Cllr P Hencher-Serafin, as district ward member, would not be commenting or voting on the following consultations.
- a. 21/01674/FUL: 40 High Street, Studley, B80 &HJ
Proposed: Change of use from former health centre to bakery. Alteration to external materials and fenestration. Conversion of flat roof to terrace.
It was agreed proposed Cllr P Beaman, seconded Cllr M Osborne, voting 5 for and 1 abstention to support this application with the following comment:
The Parish Council is keen to see this redundant building brought back into use and supports this application conditional upon:
 1. Assurance that customer seating does not encroach onto neighbouring open space which is used as a pedestrian walkway.
 2. Exterior cladding matches / complements the existing street scene through use of same colour palette.
 - b. 21/01559/FUL124 St Judes Avenue, Studley, B80 7JD
Proposed: Single storey rear extension; re- ordering of existing entrance and fenestration to form new entrance.
It was agreed proposed Cllr P Beaman, seconded A Smith, voting 5 for, 1 abstention to make No Representation to this consultation.
 - c. 20/03625/FUL 59 Crooks Lane, Studley, B80 7QX
Proposed: Single storey side & rear extension, conversion of existing side garage to a playroom with shower/wc, continuous crossover parking. Additional information has been received for the above application. Deletion of the previously proposed first floor extension and the addition of the conversion of the existing garage to a play room with wc and shower room.
It was agreed proposed Cllr A Smith, seconded Cllr J Beard, voting 5 for, 1 abstention to make No Representation to this planning application.
 - d. To note re: 21/01192/VARY: 1 Littlewood Green, Studley, B80 7QN
Proposed: Variation of Condition 2 of planning permission 16/02233/FUL dated 7th December 2018 to allow for alterations to plot 1. Original description: Proposed Erection of 5nos dwellings and associated works, with access from Lord Lane. Demolition of existing double garage. **Application has now been withdrawn.**

Agenda item 9. Finance - Financial Information

- Min no. 278a**
- To approve schedule of payments**
The schedule was circulated and approved: proposed Cllr J Beard, seconded by Cllr M Osborne and unanimously agreed.

Payments list as at 22/06/2021:

Supplier	Description	Chq no	£.pp
Rialtas Business Solutions Ltd	Year End Online close down	220	432.00
Stratford District Council	Annual cost to empty dog waste bins	221	136.25
PA Janes	Monthly litter pick @ Crooks Lane	222	400.00
PA Janes	Monthly litter pick Pool Rd Car Park	222	80.00
PA Janes	Empty cemetery skips 10/05/2021	222	170.00
Jon Vale	Grounds Maintenance	223	1,118.40
Boxer Enterprise Ltd	Website hosting & m/nance 05/21	224	60.00
Boxer Enterprise Ltd	Laptop support 05/21	225	108.00
GS Adams	Streetlight maintenance – 05/21	226	553.93
Lyreco UK Ltd	Miscellaneous stationery	227	106.87
Studley Parish Council	Deposit to open Unity Trust Bank a/c	228	10,000.00
Staff payments	Salaries x2 DD & 1 chq (107229)	Dd & chq	4,504.30
Stansgate Planning Consultants	Preparation of draft NDO (grant)	230	2,967.12
Mewies Engineering Consultants	SS&SC Development (NDO Grant)	231	393.60
SSE	Streetlighting energy – 05/21	232	1,171.60
Boxer Enterprises Ltd	AVAST anti-virus (3-years cover)	233	221.52
Studley Allotments Association	Gate padlock (Dunstall)	234	22.99
D Homer	Gravedigging fees	235	150.00
Paul Wycherley - AG Welding	Welding repair to cemetery fence	236	290.00
Excel Telecommunications	Phone & broadband 05/21	237	124.02
Mewies Engineering Consultants	SS&SC Development (NDO Grant)	238	1,526.40
WALC	Training for Councillors	239	144.00
CTKT Ltd Studley Lawns & Gdns	Cemetery grounds maintenance	240	600.00
AquAid	Rental of water cooler	241	98.88
Paul Wycherley - AG Welding	Welding repair to skate ramp	242	160.00
HMRC	NI and PAYE 06/21	243	1,945.09
Warwickshire Pension Fund	Staff pensions	244	1,722.90
Managed Technology	Printing and photocopying	DD	86.17
Stratford District Council	Council tax rates – cemetery 05/21	DD	134.35
Stratford District Council	Council tax rates - cemetery 06/21	DD	132.00
O2	Studley Isolation phone – 04/21	DD	14.59
O2	Studley Isolation phone – 05/21	DD	14.59
INTY	Microsoft office 365 - 05/21	DD	11.28
Post Office	100 second class stamps	DC	66.00
Bullivant Media Ltd	Public Notice re street light tender	DC	216.00
Zoom Video Communications Inc	For holding online meetings	DC	143.88

Min. 278 b)

To receive and note bank reconciliation to 31/05/2021:

BANK RECONCILIATION TO 31/05/2021			
Balance per parish council's cash book as at 31/05/2021			
Current account	-£3,675.19		
Deposit account	240,414.11		
Charity account	830.44		
	£237,569.36	£237,569.36	A
Balance per bank statements as at 31/05/2021			
Current account	£6,609.99		
Deposit account	£240,414.11		
Charity account	£830.44		
		£247,854.54	

Less unrepresented chqs				
107212	GS Adams	459.60		
107205	Studley Lawns	640.00		
107208	DTH Churchyard	70.00		
107209	WALC	30.00		
107210	Excel Comms	105.39		
107213	Wwks Pensions	1,722.90		
107214	HMRC	1,944.89		
107215	Mewies Eng	4,680.00		
107217	Stansgate Planning	632.40		
		10,285.18	£-10,285.18	
			£237,569.36	B
				A = B

Min 278 c) To receive and note budget comparison to 31/05/2021

Included at Appendix 4.

Min 278 d) To receive and note internal audit report for year ending 31/03/2021

Included at Appendix 5.

It was noted this thorough and succinct report from DKE Audit gives direction and opportunity to the parish council to improve; the Finance Committee, which reviewed this at meeting held previous evening, is working on an Action Plan to move forward.

Min 278 e) To approve the Annual Governance Statement year ending 31/03/2021

Members agreed responses to AGAR Section 1 as follows:

Assertion	Response
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Yes
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	No ¹
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	No ²
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	No ³
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Yes
7. We took appropriate action on all matters raised in reports from internal and external audit.	Yes
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	No ⁴
9. Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	N/A

Notes: ‘No’ responses require explanation –

1. For assertion no.2, members were keen to note matters have been brought to their attention of deficiencies in controls over the last year, due in the main to coronavirus restrictions and being unable to meet in person to review the accounts and paperwork. New working arrangements have shown ways to be more effective in the matter of oversight of the bookkeeping, bank reconciliations and record keeping.
2. For assertion no.3, members are aware of a matter that must be investigated to identify what happened, how it happened and the impact this may have on the council in the future. Due to the sensitive nature of the incident, it cannot be discussed in public session but is of sufficient significance to require a ‘No’ response.
3. For assertion no.5, members agreed internal controls such as Standing Orders, Financial Regulations and the Members’ Code of Conduct are in place. It was noted it had been reported to the Finance Committee meeting 23/02/2021 that the Clerk had reported undertaking a financial risk assessment in April 2020 but that this had not been recorded in the ensuing minutes or brought to council’s attention. Members were concerned their risk management arrangements had not been sufficiently robust during the year and agreed to recommend the adoption of a policy to be followed in the future.
4. For assertion no.8 members are aware of ongoing issues that may have an impact in the future but, as an unknown, not sure how to disclose this in the accounting statements. Advice is to be sought on this.

Proposed Cllr A Smith, seconded Cllr M Osborne 5 in favour, 1 abstention to **AGREE** the Annual Governance Statement, which was subsequently signed by the Chairman and Clerk.

Min 278 f)

To approve the Annual Accounting Statements year ending 31/03/2021

Members noted the following statements from AGAR section 2

	Year ending 31/03/2020	Year ending 31/03/2021
Box 1: Balances b/f	£79,937	£122,656
Box 2: Precept	+ £173,612	+ £180,700
Box 3: Total other receipts	+ £77,606	+ £110,863
Box 4: Staff costs	- £59,531	- £61,103
Box 5: Loan interest / capital repayments	- £12,784	- £12,592
Box 6: All other payments	- £136,184	- £143,962
Box 7: Balances c/f	= £122,656	= £196,562
Box 8: Total value cash & short term investments	£123,351	£188,377
Box 9: Total fixed assets + long term investments	£676,230	£676,240
Box 10: Total borrowings	£124,000	£113,667
Box 11: re Trust Funds	The council does not act as sole trustee for managing Trust funds or assets	

Proposed Cllr M Osborne, seconded Cllr J Beard, all in favour to **AGREE** the Annual Accounting Statements; the page was subsequently signed by the Chairman, the RFO having signed it upon preparation.

Min 278 g) **To note an offer of a donation** from the developer Harewood Estates (Midlands) Ltd of the 5 newly completed houses on Station Road. The developer would like to make a donation to the local kids' football club as a way of thanking the Parish Council for their assistance and input with naming the new address 'Harwood Close' for the said development. Council is asked to nominate a local football kids football club.

Proposed Cllr C Summers, seconded Cllr M Osborne with all in favour it was **AGREED** to contact the donor, explain the absence of a local non-commercial children's youth football team and to instead recommend a donation to the Tennis Club's youth summer coaching scheme (as minute no. 275a above).

Agenda item 10. Clerk's Report

Min no. 279 Bulky Waste collection

The office is receiving many enquiries about the re-start date for bulky waste collections which will rely on government plans for relaxing covid-19 restrictions.

Agenda item 11. Committee Reports

Min no. 280 (i) Finance and General Purposes meetings held 01/06/2021 (minutes circulated) and 21/06/2021.

Cllr A Smith – much of the content of the committee meetings had already been brought to this meeting. The work involved is ongoing and involves adapting to the changes within the council.

Min no. 280 (ii) Community Engagement and Events meeting held 08/06/2021.

Cllr C Summers – this is a new committee, slightly hindered by loss of the proposing member but which continues to have council support.

Min no. 280 (iii) Neighbourhood Plan and Neighbourhood Development Order Steering Group meeting held 15/06/2021.

Cllr P Beaman – hopes the working groups will report back by end July 2021. For the Neighbourhood Development Order (NDO), the developer, Highbury Design, is keen to update the parish council on progress and ensure the parish council remains in favour of the development; the Locality representative to be invited to attend.

Asked about the date of the referendum, Cllr Beaman thought it possible that the referendum will be held in February 2022, following consultation.

As for the open spaces project, Cllr Beaman thought it would be suitable to include it in the Neighbourhood Plan, but not to add it to the NDO as it might interfere with progress to date.

It is anticipated that the new sports facilities will encourage the club to be more sports oriented rather than 'social'.

Agenda item 12. Items for discussion and / or decision

Min no. 281 (i) To consider judging for Garden Frontages and Allotments

To consider resuming judging for Garden Frontages in light of relaxing of Covid19 restrictions. It was **AGREED** to continue under usual arrangements.

A date has yet to be set for judging at the allotments. Dunstall Allotments will be judged by Station Road Allotments Committee members and vice versa; arrangements are to be managed by the Allotment Committee.

Min no. 281 (ii) To consider whether to proceed with Chairman's Award ie Youth, Jubilee and Millennium Awards for 2021

It was **AGREED** to proceed with usual arrangements for the Chairman's Award. Proposed Cllr Summers, seconded Cllr Beard, all in favour.

Min no. 281 (iii) To agree dates and venue of Council and Committee meetings, and to note the venue and dates may change due to the current Covid situation.
It was **AGREED** to adopt the proposed dates and venue of council and committee meetings.

Min no. 281 (iv) To consider request from Circus Ginnett for a provisional booking for the first week in June 2022 on the recreation ground. Rent £100.00 in 2020.
It was **AGREED** to allow this unless it clashes with arrangements to celebrate the Queen's Platinum anniversary. Proposed Cllr P Beaman, seconded Cllr A Smith.

Agenda item 13. Other correspondence/circulation

Min no. 282

- Stratford-on-Avon benchmarking exercise (performance of town centres) (to be forwarded to Stud1 and Studley in Business representatives).
- National Association of Local Councils magazine

Agenda item 14. Members to raise items for consideration at the next meeting.

Min no. 283 None put forward at this time.

Agenda item 15. To agree date and time of next meeting.

Min no. 284 20th July 2021 at 7.30pm.

This meeting closed at 8:55 pm.

Signed:
Chairman, Studley Parish Council

Date :

Appendix 1

District member for Studley and Sambourne ward Cllr Neil Edden report

Regarding a potential PSPO (Public Space Protection Order), it seems that there still needs to be a bigger case put/proven and thusly the police, in conjunction with the other parties stated below would prefer still to attempt to resolve the issue themselves.

I suppose that we will just need to keep logging incidents and perhaps raise local awareness that the issue is being addressed and how best to and who to log such issues with.

If anybody wants to talk further on this or has any other ideas, let me know.

I'm very happy to continue to keep pushing this particular point/issue or work with the various parties to get it under control.

Appendix 2

District member for Studley and Mappleborough Green ward Cllr Peter Hencher-Serafin report

- Travellers' site on Redditch Road- SDC Enforcement Office would like Cllr Hencher- Serafin to sign off the enforcement conditions. However Cllr Hencher-Serafin still considers that there is a large amount of hardcore that needs to be removed from an area that is to be left green. Cllr Hencher-Serafin has arranged a meeting with Enforcement at Stratford along with other Councillors to discuss what can be done to make enforcement stronger.
- Ownership of hedge between the allotments and the Railway car park- It seem that there might not be any ownership. The allotments side of the hedge is to be maintained by PC.
- Proposed railing at Nisa shop on Studley street- continuing to progress with County Highways.

The County Division Member Cllr Justin Kerridge report.

Current work:

- **Automatic number plate recognition camera installation from Redditch gateway development:** *no info as yet.*
- **Average speed camera installation on A435:** *I am told this is a very new approach on A roads in Warwickshire and Studley is likely to be the first; that WCC are now ready to go to tender on the installation and envisage installation within 12 months.*
- **New road (previous delegated budget?):** *work scheduled 27/7/21*
- **Needle close (previous delegated budget?):** *work scheduled 26/7/21*
- **Resident parking in Toms Town, dangerous parking on Alcester Road, High street and Marble Alley:** *arranging meeting with WCC officer*

Walkabout for PC with WCC Highways localities officer: a new localities officer for Studley has been appointed, Dylan White. I will be discussing all things Studley with him or David Elliston his team leader shortly. I am encouraged to use, and to encourage others to use, the "report it" section of WCC website in the first instance (easily googled as report it highways Warwickshire) as this DOES work and also leaves a clear audit trail for works.

Cycle routes and parking: *I am keen to promote cycling and make it easier. The idea of using footpaths along roads such as the A435 has not been rebuffed in discussions so far but it does take money. I am arranging more meetings to discuss this and other ideas such as cycle parking in the village*

Green Lane Bridge: *It is unlikely I will persuade WCC to take control of this bridge from Worcestershire due to the potential maintenance costs. It is something to work with Redditch and Worcestershire on. WCC are likely to remain in favour of the bridge remaining as it is (in any future planning applications), as a cycle route and for traffic calming and preventing HGV movements on green lane.*

Flooding in alley between High Street and Redditch Road. From Studley sports and social club ground to properties: seeking advice from flooding officers.

Millennium square/old youth club: *arranged meeting with Cllr Neil Edden and SDC officers and cabinet to discuss how SDC policy can help us and anything else. Arranged meeting with WCC officers and cabinet to discuss options.*

Youth engagement and shelter: hope to work with PC and Cllr Edden on this. Have talked to youth engagement officer at WCC to arrange youth engagement surveys in Summer with a view to setting up joint working between SNT, SDC ASB officers and WCC youth engagement. I am also thinking of a youth shelter as a safe space for young people to meet, depending on engagement results of survey etc. i.e. do they want/ need one.

Arden forum: *Similar to the old community forum this is a chance to meet WCC officers and SNT do discuss problems affecting all our divisions and parishes across Studley and Henley areas. Traffic, Young people etc. To me it seems an efficient way to engage with officers and not take up too much of their time. Topics include: Police report (Arden North); Highways maintenance (Scott Tomkins, WCC); 20 mph speed limits (P Thomas, WCC). 7th July 3pm*

Budget comparison to 31/05/2021, page 1 of 3

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
101 Burial Ground							
1100 Burial fees	425	13,780	13,355			3.1%	
1101 Grave Digger Fees	75	2,500	2,425			3.0%	
Burial Ground :- Income	500	16,280	15,780			3.1%	0
4100 Grass Cutting	450	5,250	4,800		4,800	8.6%	
4106 Burial Ground expenditure	190	0	(190)		(190)	0.0%	
4107 Grave Digger Fees	360	2,500	2,140		2,140	14.4%	
4110 Rates	266	1,420	1,154		1,154	18.8%	
4115 Skips	0	2,520	2,520		2,520	0.0%	
4200 Subscriptions	95	90	(5)		(5)	105.6%	
4205 General Maintenance	(400)	4,500	4,900		4,900	(8.9%)	
Burial Ground :- Indirect Expenditure	961	16,280	15,319	0	15,319	5.9%	0
Net Income over Expenditure	(461)	0	461				
201 Allotments							
1200 Allotment rents	50	3,000	2,950			1.7%	
1205 Wayleave income	0	100	100			0.0%	
1206 Allotment Assoc	3	0	(3)			0.0%	
1210 Grant OAP/Vacant Plot	0	500	500			0.0%	
1215 Allotment Subscriptions Income	3	350	347			0.9%	
Allotments :- Income	56	3,950	3,894			1.4%	0
4200 Subscriptions	0	350	350		350	0.0%	
4205 General Maintenance	0	2,250	2,250		2,250	0.0%	
4210 Water Charges	0	1,000	1,000		1,000	0.0%	
4215 Allotmnt Rental SDC	0	350	350		350	0.0%	
4230 Hedge Cutting	0	200	200		200	0.0%	
Allotments :- Indirect Expenditure	0	4,150	4,150	0	4,150	0.0%	0
Net Income over Expenditure	56	(200)	(256)				
301 Street Lighting							
4205 General Maintenance	462	5,900	5,438		5,438	7.8%	
4300 Energy	2,192	15,000	12,808		12,808	14.6%	
4310 Replacement lighting	383	9,100	8,717		8,717	4.2%	
Street Lighting :- Indirect Expenditure	3,036	30,000	26,964	0	26,964	10.1%	0
Net Expenditure	(3,036)	(30,000)	(26,964)				

Budget comparison to 31/05/2021, page 2 of 3

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
401 Recreation							
4100 Grass Cutting	450	4,200	3,750		3,750	10.7%	
4205 General Maintenance	0	5,000	5,000		5,000	0.0%	
4206 Inspection Fee	0	150	150		150	0.0%	
4400 Litter Picking	534	5,800	5,266		5,266	9.2%	
4410 Equipment	10	6,000	5,990		5,990	0.2%	
4415 Public Open Space	32	1,000	968		968	3.2%	
4420 Play area refurb	440	0	(440)		(440)	0.0%	
4421 Skate Park	730	1,000	270		270	73.0%	
4425 Benches	0	1,000	1,000		1,000	0.0%	
4426 Bins & Bin maintenance	40	570	530		530	7.0%	
Recreation :- Indirect Expenditure	2,236	24,720	22,484	0	22,484	9.0%	0
Net Expenditure	(2,236)	(24,720)	(22,484)				
601 Office Rental & Expenses							
4410 Equipment	0	4,154	4,154		4,154	0.0%	
4600 Rental and expenses - Office	2,000	4,200	2,200		2,200	47.6%	
4601 Office Rent - Library	2,600	0	(2,600)		(2,600)	0.0%	
4620 Website costs	250	600	350		350	41.7%	
4625 Photocopier costs	45	1,400	1,355		1,355	3.2%	
4650 Telephone & Internet	303	2,890	2,587		2,587	10.5%	
4651 Internet Costs	99	0	(99)		(99)	0.0%	
4655 Stationery	0	900	900		900	0.0%	
Office Rental & Expenses :- Indirect Expenditure	5,297	14,144	8,847	0	8,847	37.6%	0
Net Expenditure	(5,297)	(14,144)	(8,847)				
701 Salary, NI & PAYE							
4700 Salaries - NET	9,007	42,300	33,293		33,293	21.3%	
4701 Pension - Staff	794	4,000	3,206		3,206	19.8%	
4702 Pension Contribs - Employer	2,652	10,000	7,348		7,348	26.5%	
4705 N.I.	2,059	7,500	5,441		5,441	27.4%	
4710 PAYE	1,831	6,000	4,169		4,169	30.5%	
Salary, NI & PAYE :- Indirect Expenditure	16,343	69,800	53,457	0	53,457	23.4%	0
Net Expenditure	(16,343)	(69,800)	(53,457)				
801 General Administration							
1076 Precept	93,031	186,062	93,031			50.0%	
1550 Telecom Income - WCC	0	500	500			0.0%	

Budget comparison to 31/05/2021, page 3 of 3

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
1555 Bulky Waste Reimbursement	0	465	465			0.0%	
1801 Rental from Leases	0	30	30			0.0%	
1802 Rental from SS&SC	0	12,414	12,414			0.0%	
1803 Rental Income - Bungalow	1,256	0	(1,256)			0.0%	
1805 PWLB Loan	889	0	(889)			0.0%	
1810 Bank Interest accrued	621	2,800	2,179			22.2%	
1926 Bulky Waste Permit	10	0	(10)			0.0%	
General Administration > Income	95,806	202,271	106,465			47.4%	0
4200 Subscriptions	0	1,700	1,700		1,700	0.0%	
4205 General Maintenance	0	1,742	1,742		1,742	0.0%	
4207 Tree maintenance	0	2,000	2,000		2,000	0.0%	
4605 Sundry Expenses	1,622	0	(1,622)		(1,622)	0.0%	
4606 Newsletter costs	0	4,400	4,400		4,400	0.0%	
4656 Postage costs	97	351	254		254	27.5%	
4810 Audit Fee	0	1,600	1,600		1,600	0.0%	
4815 Insurance	0	2,450	2,450		2,450	0.0%	
4817 Insurance - Other	1,995	0	(1,995)		(1,995)	0.0%	
4825 Training Fees	55	1,000	945		945	5.5%	
4830 Election Costs	0	3,500	3,500		3,500	0.0%	
4835 Lengthsman	0	3,000	3,000		3,000	0.0%	
4840 SSSC	0	3,000	3,000		3,000	0.0%	
4845 Library Expenditure inc rent	29	500	471		471	5.7%	
4856 Waste Collection	0	5,800	5,800		5,800	0.0%	
4857 CCTV & Maint	0	6,000	6,000		6,000	0.0%	
4875 Civic Costs	0	1,850	1,850		1,850	0.0%	
4877 NDO Grant Expenditure	6,197	0	(6,197)		(6,197)	0.0%	
4890 PWLB Loan Capital	5,167	10,333	5,166		5,166	50.0%	
4891 PWLB Loan Interest	1,057	2,081	1,024		1,024	50.8%	
General Administration > Indirect Expenditure	16,218	51,307	35,089	0	35,089	31.6%	0
Net Income over Expenditure	79,588	150,964	71,376				
<u>901 S137 Grants</u>							
4900 S137 Grants	0	12,100	12,100		12,100	0.0%	
S137 Grants > Indirect Expenditure	0	12,100	12,100	0	12,100	0.0%	0
Net Expenditure	0	(12,100)	(12,100)				
Grand Totals:- Income	96,362	222,501	126,139			43.3%	
Expenditure	44,092	222,501	178,409	0	178,409	19.8%	
Net Income over Expenditure	52,270	0	(52,270)				
Movement to/(from) Gen Reserve	52,270						

Studley Parish Council

Internal Auditors assessment for the completion of the AGAR Part 3 – Financial Year 2020-21

1. Introduction

I have concluded the Council's annual internal audit. I am therefore able to complete the Annual Internal Audit Report 2020/21 which forms part of the Annual Governance and Accountability Return (AGAR).

My internal audit considers the evidence available to assess and ensure the Council has effective governance arrangements in place for the areas examined. In examining the governance arrangements focus has been placed on compliance with the Council's; key governance 'rules', management of risk and financial controls, along with the compliance with 'proper practice' and sound control principles. Consideration is given to the size and scope of activities undertaken by the Council.

The Council's Financial Regulations (along with Standing Orders and its Policies) are the rules under which Members have determined the Council must operate. These are the foundation of good governance and how the Council has ensured compliance with these are considered as part of the internal audit process.

The internal audit is not designed to identify all weaknesses in the Parish Council's systems but, it is a sample examination of systems and of testing those systems. Where weaknesses are identified during the internal audit process, which impact on governance and control, recommendations are made.

The responsibility for the prevention and detection of fraud, error and non-compliance with the law or regulations rests with the Council. The internal audit should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance as may exist.

Special note – the annual internal audit was undertaken during the restrictions introduced by the Government in response to the Covid-19 pandemic. As a result the audit has been conducted remotely. The remote approach taken has applied internal audit principles.

2. Summary and Recommendations

In the section below I have recorded my AGAR responses and offered some comments by way of explanation for these. Members need to be mindful that this assessment is for governance and control during 2020/21.

During the internal audit review a number of significant control issues or non-compliances have been identified that prevent a positive response to areas covered by the AGAR. An overarching recommendation is been made;

Recommendation 1 - The Council must review its governance and control arrangements to ensure its systems and processes are in accordance with Standing Orders (SOs) and Financial Regulations (FRs), and operating and reporting processes ensure there is compliance with these at all times. It is suggested when undertaking the review reference is made to the most recent version of the guidance issued by the Joint Practitioners Advisory Group (JPAG) 'Governance and Accountability for Local Councils - a Practitioners' Guide (England)'. It is also suggested that a table is maintained to track the actions taken, with milestones, to ensure progress is maintained and the required outcomes delivered.

In the internal audit assessment below there are a number of areas where operating practices and control processes were not in accordance with the Councils Financial Regulations, or good control practices, and these areas require specific attention.

Recommendation 2 - To aid the implementation of recommendation 1, the following is a list of the areas identified during the internal audit review, where the Council should implement improved operating practices and

control process. The findings detailed in the report, including the Councils responses to the internal auditors questions (see specific responses detailed below and these included in Appendix A), should be considered when developing and revising systems and control processes.

- Annual review and adoption of Standing Orders and Financial Regulations
- Process to ensure SOs and FRs are complied with (a Proper Officer/RFO and Member joint and collective responsibility)
- Review of policies to ensure they are appropriate to the Council's need
- Review of the processes to ensure the adoption and compliance with policies
- Decision making processes, particularly linked to risk considerations
- Procurement processes
- Approvals process to procure goods, services, or works, to enter it contracts or to incur costs
- Record management, including the maintenance of comprehensive audit trails
- Processes and control systems for ordering, evidence of delivery of the ordered goods, services or works, payment verification and approval
- Payment approval processes and controls to include assurance that FRs have been complied with
- Risk management, including risk registers that are reviewed in accordance with the risk to ensure risks are mitigated or controlled to the desired levels
- Systems to consider financial and other risks as part of the decision making process
- Budget management including budget setting, reporting, monitoring, resulting actions and recording, and where appropriate, tracking these.
- Budget structure to include all areas where costs are incurred and should be monitored.
- Ensuring all decisions are taken in accordance with SOs and FRs and these are appropriately detailed in the minutes
- Insurance arrangements
- Asset management, register, maintenance and replacement, and review and approval by Members
- Internal control policy and process and periodic checks
- Oversight and control of staff payments and other employment costs
- Income systems, management, reporting and monitoring
- Petty cash verification (and future need for petty cash?)
- Bank reconciliation process

At the time of the internal audit review the Parish Clerk was not available and the Council had engaged an Acting Parish Clerk who, along with the Assistant Parish Clerk, provided support to the internal audit review. However, their knowledge of the Council was not extensive and therefore, in order to fulfil my internal auditor responsibilities. The Council was asked to provide explanations and supporting evidence across a number of areas. These areas mostly relate to how the Council has complied with its Financial Regulations, its policies, 'Proper Practice', and the control and transparency arrangements that are expected of local government.

As outlined above a number of the responses to the questions raised have been used as part of the internal audit assessment, in addition there are a number of areas where actions have occurred where the Council have been unable to provide the comprehensive explanations or supporting evidence. This shows the governance and control arrangements operating in some areas during 2020/21 fell short of these required under the Councils 'rules'.

Recommendation 3 - The Council undertakes a full review of the governance matters raised by the internal auditors questions (see Appendix A), where the Council has not been able to provide comprehensive explanations and evidence or to demonstrate it fully understands the Councils responsibilities and liabilities in respect of these matters. The review should ensure, going forward, sound governance and control arrangements are in place and operate for these matters and for future similar matters. It is suggested that initially advice is obtained from Nalc.

Recommendation 4 - In respect of the matters covered in Appendix A, the questions raised by the internal auditor (in black text) and the responses from the Council (in red text); these be drawn to the attention of the external

auditor as they should form part of the external auditors consideration of the Councils accounts and AGAR statement. These include;

1	Payments made by the Council for services supplied to another organisation, the Studley Sports and Social Club (SS&SC)
2	Payments made by the Council where liability may have rested with another organisation, the SS&SC
3	Loan taken out by the Council from the PWLB (used to support the SS&SC) and the repayment arrangements
4	Loans given by the Council in the year
5	The Neighbourhood Development Order (NDO)
6	Clarity over the Parish Councils role and responsibilities as a Corporate Trustee of the SS&SC

3. Internal Audit Assessment

The table below follows the format of the AGAR, for each section questions have been answered with supporting evidence provided which has been examined and assessed.

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes
The Council uses RBS Rialtas software to maintain its accounting records. Due to the Parish Clerks absence there have been periods where the cashbook has not been kept up to date, the accounts have been brought up to date for the year end. The internal audit work undertaken (sample review of receipts and payments) has not found any matters to indicate the cashbook, the record of receipts and payments, is not an accurate record of the transaction occurring during the year.	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved VAT was appropriately accounted for.	No
<p>Due to Covid-19 the Council has held virtual Parish Council Meetings. The Financial Regulations and Standing Orders operating in the year were those reviewed and adopted in October 2019 and February 2020 respectively, both are those recommended by Nalc.</p> <p>As a result of Covid-19 the Council approved, at its March 2020 meeting, the following delegation; Min: 90 Covid-19 – Contingency Planning for Council Business Studley Parish Council authorisation of delegated powers during the Coronavirus Pandemic 2020.</p> <ul style="list-style-type: none"> To approve provision of delegated powers to The Clerk to spend up to a limited amount (£5000) and to authorise urgent work when unforeseen circumstances occur, and To note that it is lawful for the clerk to spend against specific items in the Parish Council's budget i.e. for contractors, hall hire, clerk's salary, all of which having been identified in the budget when setting the precept, any such payments to be reported to the Council at the next ordinary meeting. <p>This delegation is very specific to spend, and spend within existing budget provision. It did not vary any of the Council's governance, decision making arrangements and control requirements beyond the delegation.</p> <p>The book-keeping arrangements have been reviewed. Receipts and payments are recorded in the cashbook. For payments made, there are supporting documents. However, sample testing and responses to questions raised show that there are control weaknesses requiring rectification. For a number of payments in the sample tested relating to the Neighbourhood Development Order, there was no evidence held by the Council to show it had complied with its procurement</p>	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
<p>rules. Although payment schedules are presented to Council for approval the process does not ensure and provide assurance that the Council's Financial Regulations have been complied with.</p> <p>The Council has entered into contracts for the supply of works and services, there is evidence to show detailed specifications have formed part of the tendering or quotation process for some contacted services, however full audit trails are not present in support of the controlled receipt and opening of quotes or tenders, the assessment and evaluation and the formal award.</p> <p>The audit trails do not evidence in all instances the effective links and controls between the quotation process, the order of goods (no formal ordering process operates), the confirmation of the completion of the works or service ordered and the payment.</p> <p>The Council uses a debit card and a control process operates.</p> <p>For payments tested VAT paid has been recorded in the cashbook.</p> <p>The following explanations and evidences have been sought in respect of payments (as part of sample testing) and general expenditure control.</p> <ul style="list-style-type: none"> • For a number of payments in the internal audit sample the control exercised has not been in accordance with the Councils FR's – see Appendix A for more detail • Within the payment sample there were payments where it was unclear that assurance over the delivery of the service had been gained – the soil pile being an example. The Council was asked to confirm that operating practices, including supporting evidence, ensured compliance with FR 5.3 - <i>All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.</i> The Council advised; Members who signed the cheques were not presented with the invoices at the same time. All invoices are now being provided when signatories are asked to sign the cheques and they initial the invoices to confirm they have seen them. • The review of the cheque signing process indicated that during the year the Clerk pre signed a number of cheques. The Council was asked to confirm this occurred. The Council advised; Members confirmed this did happen, but it was because the clerk was working from home or on holiday and the cheque book was kept in the office. Going forward, the council has approved to move to online banking and a system that clearly separates roles between preparation of payment and authorisation. <p>Throughout this report there are a number of areas where the Council has not complied with its Financial Regulations.</p>	
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>No</p>
<p>The Council does not have a Risk Management Policy, it has two Risk Registers, one covering finance and one for assets and other liabilities. The registers record that they were reviewed by the Clerk in April 2020 but this review was not considered or reported to Council. It is also stated that the registers will be reviewed by the Council in September 2020. The Council advised; neither was presented for full Council approval or comment. The review of the Finance Risk Register show some control actions have not been updated since 2019 and some of the controls have not occurred during the year. Examples –'Monthly reconciliations carried out by RFO and checked by Cllrs' this has not occurred. 'Expenditure against budget reported to Finance Committee two times a year' this has not occurred, Financial Regulations require this to occur at</p>	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
<p>least quarterly. Neither risk registers are linked to inspections or assessment records and reports to Council that provide assurance that risks are being effectively managed.</p> <p>As part of its actions to mitigate financial risk the Council was asked to provide evidence that it has an internal control verification process and this process has occurred periodically within the financial year. The Council advised; the council has no internal control policy or procedure apart from its Financial Regulations. It would appear there has been no review of this procedure.</p> <p>During the year the Council progressed a number of actions, particularly in respects of the SS&SC where the formal assessment of risk and the control requirements should have formed a key part of the decision making process. Financial Regulation 1.12. state; 'The accounting control systems determined by the RFO shall include: measures to ensure that risk is properly managed. The formal assessment of risk cannot be shown.</p> <p>The Council verifies the 'works' contractors engaged hold appropriate insurance cover.</p> <p>The Councils insurance policy covers the areas expected for a Parish Council, however there are variances between the Asset Register value of insured items and the insurance schedule. This should be reviewed. In respect of the leased properties the Council advised; it believed the lease agreements do state who will insure each property, but will need to review again to understand the arrangements. The insurance policy has the bungalow listed as an insured asset. However, it is uncertain if the insurance cover applies to the Councils role of 'landlord'.</p> <p>The Council Financial Risk Register should cover and ensure the value of sums held in bank accounts, and with any one bank, does not exceed the limit covered by the Financial Services Compensation Scheme.</p> <p>IT arrangements and controls to mitigate IT related risk has been discussed, the Council has engaged an external IT company to provided IT support, and uses Cloud services to back up its systems and records.</p> <p>Annual inspections of the Cemetery and play equipment have been undertaken during the year and the grounds maintenance contractor undertakes weekly inspections of the areas covered by the contracted service.</p> <p>There is no evidence to show the link between risk and the effective management of risk, and the delivery of the Councils objectives.</p>	
<p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>No</p>
<p>The annual precept was approved by the Council at its 21 January 2020 meeting, the matter having been considered earlier by the Finance Committee. The Councils accounting system records actual payments and receipts by against the budgeted sums.</p> <p>Evidence was requested to show the Council had effective arrangements in place to set and then monitor its 2020/21 budget, no specific detail is available. The accounting system shows the budget structure and the budget headings, the budget does not include specific lines for; loans to others, legal fees, and the neighbourhood development plan costs, which are areas the Council may wish to specifically identify and monitor.</p> <p>The Council's Finance Risk Register states the following control operates; 'Expenditure against budget reported to Finance Committee two times a year'. The Council was asked to confirm the application of the control, compliance and how it gained its assurance. <i>(note Financial</i></p>	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
<p><i>Regulations require - The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of [£100] or [15%] of the budget).</i> The Council advised; this was not done, not even as part of the budget (or precept) setting exercise which appears to have been presented to council as fait accompli.</p> <p>The Council was asked to confirm and provide evidence (the reports, actions taken following the consideration of those reports, and Council minutes) to show it had monitored and managed all budget areas within the year in accordance with Financial Regulations. The Council advised; this has not happened. The budget reports are easily available via the Rialtas software, yet no monthly or even quarterly reporting process has been put in place.</p> <p>The Council has an appropriate level of general reserve, and specific earmarked reserves.</p>	
<p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</p>	<p>No</p>
<p>The Council receives income beyond the precept, from a number of sources; a cemetery, allotments, property rental / leases and grants. The income levels have not been overly effected by the impact of the pandemic.</p> <p>A number of receipts were tested and the sums due were received, banked and recorded in the cashbook.</p> <p>A key control is Members assurance that all income due is invoiced and collected. The budget to actual report provides the overview; however budget monitoring has not occurred. In terms of specific assurances for each of the income sources then more detailed monitoring forms the control. The Council were asked, for the Cemetery and for the Allotments to provide evidence that it monitors and ensures the collections of all sums due, for example this is overseen by Council, or a Committee. For the Cemetery the Council advised; despite asking for it, the committee has never been presented with a schedule of payments due or a budget comparison of actual income/expenditure to budget. There is no oversight of sums collected for burials or interments and the office record management process needs to be improved. For the Allotments the Council advised; the allotment chairman, a parish councillor, goes through the list of invoices that are to be sent out; it is clear from the list who has paid and who has not paid. It is not clear if defaulters are chased up or whether there are any bad debts. It is likely this process will be firmed up following this review – it is work in progress.</p> <p>In addition the Council receives income from its leases, and now from an 'investment property' there arrangements and matters arising are covered in other sections of this report.</p> <p>Income due from the SS&SC was not received in all instances when due, and variations to the 'lease terms' resulted changes to budgeted income streams.</p> <p>VAT has not been charged on any income sources.</p>	
<p>F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</p>	<p>Yes</p>
<p>The Council has a small petty cash float and few payments have been made from it during the year. The float has not been reimbursed leaving a small balance at year end.</p>	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Yes
<p>The salary payable to the Parish Clerk and the Assistant Parish Clerk have been agreed by Members and are in line with budget provision. Salaries include relevant employment related deductions are paid along with employer liabilities. However, the monthly payments made to employees do not appear on the payment schedule for approval and there is no other monthly approval process. The Council has advised; despite requests it would appear the council is never presented with payroll information relating to salary paid. The payroll function has been contracted out as from 01/04/2021, however following this question members realised that whilst the payroll function is now outsourced, it is still the office staff who notify payroll of the amounts to be paid! This will be firmed up as a result of this review – another ‘work in progress’. Additionally, the actual payment of staff salaries is henceforth to be included in the monthly payment lists to council (previously not included).</p>	
H. Asset and investments registers were complete and accurate and properly maintained.	No
<p>The Council has an Asset Register that is used to record the value of its assets. However, the asset register did not include all of the assets held by the Council. The Council advised; the asset register does not currently include reference to leased property such as the Scout Hut, ATC building and Pool Road car park. Members could give no reason as to why they were not included on the asset register.</p> <p>In addition during the year the bungalow owned by the Council and leased to the SS&SC became the direct responsibility of the Council and has been let by a commercial agent as a market let. The Council has not been able to provide information about this ‘transfer’/lease variation, the new letting terms and the Councils current responsibilities and liabilities.</p> <p>The format of the asset register should be improved to include the information detailed in proper practice guidance, along with the inspection requirements, and the planned maintenance and replacement schedule, which should be linked to budget provision and earmarked reserves as appropriate.</p> <p>Some assets, where inspections are key to mitigating risk, are inspected annually and weekly.</p> <p>The Council has advised the Asset Register has been updated prior to the submission of the annual accounts.</p>	
I. Periodic bank account reconciliations were properly carried out.	No
<p>Bank reconciliations have been undertaken throughout the year apart for the period when the Clerk was absent and no Acting Clerk was in place. ‘Properly carried out’ covers the compliance with Financial Regulations and effective control assurance the requirement being; <i>‘On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman [or a cheque signatory] shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council [Finance Committee].</i> This has not occurred, the Council has advised; although bank reconciliations have been carried out during the year, they have not been overseen by the councillors. Pre-lockdown there had been a system whereby two members of the council would attend to review the bank reconciliations, overseen by the Chairman of the Finance Committee and the Clerk. This process would require the two</p>	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
<p>councillors to check the cheque stub with the bank statement and compare with the provided reconciliation statement. No invoices were produced to support the process.</p> <p>The year end bank reconciliation has been undertaken, agreed and approved.</p>	
<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</p>	Yes
<p>The accounting statements have been prepared on the correct accounting basis. The annual accounting statements agree to the cashbook. In most instances there are documents that support payments made. However, as detailed in other parts of this report, the audit trail from the initial decision to incur cost through to the final payment, the oversight and management of receipts, and actions considered and decisions made which have financial implications, is in need of improvement.</p> <p>The end of year accounts have been presented on the correct accounting basis and approved.</p>	
<p>K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered").</p>	Not Covered
<p>The Council did not certify itself as exempt in 2019/20 and therefore had a limited assurance review of its AGAR.</p>	
<p>L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/ webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.</p>	Not Applicable
<p>The Council has an annual turnover exceeding £25,000.</p>	
<p>M. The authority has demonstrated that during summer 2020 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.</p>	Yes
<p>Evidence confirms the Council correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.</p>	
<p>N. The authority has complied with the publication requirements for 2019/20 AGAR</p>	Yes
<p>The Council complied with the publication requirement for 2019/20.</p>	
<p>O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.</p>	Not Applicable
<p>The Council (as a body) does not have sole trust or charitable responsibilities. It is however a corporate trustee of the SS&SC and need to fully understand the implications of this.</p>	

Other Areas

Internal Control areas and Internal Audit comments
<p>Review of the implementation of recommendations from the previous year's Internal and External Audit Reports</p>

Internal Control areas and Internal Audit comments

From last internal audit report

Recommendation - To consider when paying multiple invoices to a creditor on one cheque that a note of each invoice number is noted on cheque stub.

The Council is increasingly making payments through other payment methods, cheque payments are therefore reducing and this recommendation has become less relevant.

From last external audit report

There were no control recommendations from the external auditor.

Any other governance or financial control issues arising during the internal audit

See main report above and Appendix A

In addition, as part of the sample testing a payment (a refund) related to an issue in respect of a burial plot. This payment has been debated by the Council and it is understood remained a matter under consideration. The Council were asked to confirm it considered the risks associated with record management in the area (e.g. legal, financial and reputational) and has ensured there are effective systems and robust control arrangements for grant burial rights. The Council were asked to provide evidence of the assessment of risk and the control arrangements and the assurances gained that these are effective and complied with. The Council advised; **Members are keen to ensure the administration of their role as burial authority is undertaken properly and rely on the 'ten-point plan' produced 9 years ago to ensure mistakes do not occur. However members are aware this plan is not fool-proof and steps are being taken to undertake a review of the whole site, to record all burials and allocations for future burials. Members are aware of the risks and are working towards reducing them but nothing has yet been committed to paper in this regard.**

A request has been made for internal audit to review the control arrangements, in respect of this matter. This will be programmed as a future activity.

Any 'unusual' matters arising from the review of the minutes of Council and Committee meetings (the approach to risk and control)

See main report above and Appendix A

Any matters referred by the Council or the Clerk for review

None, apart from matters covered above.

The draft version of this report was discussed and agreed by the Acting Parish Clerk/RFO.

The internal auditor wishes to acknowledge the support and assistance provided by the Acting Parish Clerk/RFO, the Assistant Parish Clerk and Council Members during the internal audit review.

Duncan Edwards

Internal Audit undertaken between April and June 2021

Duncan Edwards (2020/21 internal audits)

Studley Parish Council

The following is an extract from a set of questions asked of the Council as part of the internal audit review. The majority of these arise from the sample testing of payments and receipts, and the review of Council minutes. The questions and responses are detailed in this appendix as it is appropriate for the Council to consider them in line with the recommendations made earlier in this report. The internal auditor's questions are in black text, the Council's response in red text.

No	Internal Audit Questions and the Councils Responses
1	Payments made by the Council for services supplied to another organisation, the SS&SC
	<p>In the year the Council made two payments for legal advice (cheque no 963 & 972), initial information provided indicates these payments relate to the engagement of a solicitor in respect of an employment matter not relating directly to the Parish Council. The Council was asked to provide a summary of these payments and evidence to;</p> <ul style="list-style-type: none"> • Explain the relationship between the service provider, the Council and the SS&SC to include why the Council was responsible for obtaining and paying for these services for a third party organisation, • Explain the terms of the engagement for these services, confirming if they were between the service provider and the Council, along with the Council's role in considering that advice and for acting on it, • Provide a copy of the report / formal advice / comprehensive minutes that show the Council, in respect of this matter, fully considered any risks associated with its action to support the SS&SC in this matter, • Show FR were followed in terms of the engagement i.e., quotes, budget provision, order, confirmation that services were provided as agreed and that the invoice matched both the order and the services provided, • Confirm that when approving the payment on the payment schedule the Council gained assurance from the RFO that payment complied with the Council's FRs and any relevant policies and control procedures, and • Show that, if the Council had a responsibility / liability in respect of the matter, it took actions to ensure it protected its interests throughout.
	<p>The Council has advised; when discussed at the Finance Committee meeting on 01/06/2021, members were unable to answer these questions. Although they know the reason for the appointment of legal services (relating to redundancy payment to Club employee) they do not know why the council was paying for it directly, rather than the club, except for the fact that due to coronavirus restrictions, the club's income had dried up and they asked the council for support.</p> <p>As corporate trustee perhaps the council members believe the council has a responsibility for the club's wellbeing and is duty-bound to assist in these matters. However even if that is the case, no member has mentioned the need to have executive oversight of the club's management committee.</p>
2	Payments made by the Council where liability may have rested with another organisation, the SS&SC
	<p>The Council awarded contracts and made payments to a number of service providers for the repair and refurbishment of the bungalow leased to the SS&SC when it 'tenant' the steward vacated. The Council was asked to provide evidence to show this liability fell on the Council as the 'landlord' and not the SS&SC as the 'leaseholder', that the Council had budget for this cost and approved it, and to show the advice the Council considered when approving to take on responsibility for a debt due to a third party, including assurance it complied with FRs.</p>

No	Internal Audit Questions and the Councils Responses
	<p>The Council has advised; the members are unable to answer this question which led to other questions about whether the council has power to rent out property for accommodation. The property tie which saw the bungalow used as accommodation for the club steward appears to have been broken (and does this therefore mean a change of use and planning issues). Members appear to have been told what was happening and accepted it without question.</p>
	<p>Having entered into an agreement with the SS&SC to part share the refurbishment costs of the bungalow the Council was asked to provide the evidence to support the assessment of the risk in respect of the decision to offer repayment instalments and Council approval for this action.</p>
	<p>The Council advised; there is no evidence of risk assessments being carried out. It is implied that if the club cannot repay, then the council will stand the cost. There was an amount of £750 in Earmarked Reserves that was used specifically for this purpose.</p>
3	Loan taken out by the Council from the PWLB (used to support the SS&SC) and the repayment arrangements
	<p>In the sample of payments and receipts, payments are made in respect of a loan the Council obtained from the PWLB. In respect of the same, the Council receives payments from the SS&SC to cover the Councils PWLB loan repayments. The payments from the SS&SC are in the lease schedule (the sports club, facilities and the bungalow).</p> <p>The review of receipts showed payments from the SS&SC for January to March were deferred until the end of April (£2,063.58 Part rent Jan-Mar 20) and May (£1,108.38 Rental prior year balance). The Council was asked to provide evidence that the Council approved this deferral.</p> <p>The Council provided an excerpt from the SS&SC Trustees meeting held 23/03/2020 which outlines the SS&SC financial position along with the variation to the bungalow arrangements. The Council advised; there was no opportunity for the council to approve the deferral (due to temporary abeyance of council meetings).</p> <p>Payment in accordance with the schedule ceased after July 2020, thereafter the Council reduced the monthly payment it received from the SS&SC in respect of 'rent' under the terms of its lease. Information provided indicates that the lease payments directly relate to the PWLB loan the Council obtained to purchase a lease entered into by the SS&SC (the loan repayments falling on the Council being reimbursed by the SS&SC). The reduction in the monthly payments from the SS&SC appears to relate to the transfer of the leased bungalow, and the rent receipt for it, from the SS&SC to the Council.</p> <p>The Council was asked to provide a summary of this arrangement, with evidence;</p> <ul style="list-style-type: none"> • To show the Council considered and approved this arrangement • That the implied or actual responsibility for the PWLB loan repayment has formally transferred from the SS&SC to the Council <p>The Council advised; Members of the Finance Committee meeting were not aware of the arrangements. The minutes do not show explicit agreement on the arrangements. The matter was never referred to the parish council (probably due to covid lockdown) and the next we know is the implied assumption that the council has accepted the position outlined at the [SS&SC] Trustees' meeting 23/03/2020 [which covered proposals for, the bungalow management, deferral of payments and the insurance payments].</p> <p>In addition the Council was asked to confirm the bungalow actually reverted to the Councils 'direct ownership' (as opposed to being part of the lease agreement with the SS&SC), and if so the Council had formally 'written off' much of the PWLB loan the SS&SC was responsible for repaying. The Council advised; this has not been addressed by the council. Members are aware of the need to look into this.</p> <p>The monthly loan repayments appear to have been met by receipts from the SS&SC and then in part by the SS&SC and bungalow rent. However, these combined receipts have not met the full costs of loan repayments in the year. The Council was asked to advise how the net budget variance was funded. The</p>

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	Council advised; the net variance is being met by the council's general fund but that has never been explicitly stated and not considered until raised here.
	Note – the purpose for the PWLB loan, as stated in the letter from the Secretary of State (paragraph 1) was 'for the purchase of a bungalow lease for sporting facility purposes...'. The terms in the letter being, 'the Council may borrow only for the purpose specified in paragraph 1'. Although the use of the loan was for the original terms, the bungalow may now be regarded as a property investment for the generation of income, having no 'sporting facility purpose'.
4	Loans given by the Council in the year
	<p>Within the year the Council gave loans to the Sports and Social Club (SS&SC) (it is understood to cover part of a staff redundancy payment) and to the Village Hall (to cover a cashflow issue) the Council was asked to provide a summary and evidence to include how;</p> <ul style="list-style-type: none"> • These loans were considered and approved by the Council including retrospective approval if the loan was granted under a specific delegation. The Council advised; initially the loan for redundancy cover was not on the agenda for the meeting on 28th October, it was discussed in confidential session and agreed (despite not being on the agenda). • The terms of the loan were formally agreed in advance of the loan payment being made. The Council advised; no terms were agreed when the council agreed to loan the money. • FRs were followed in terms of budget provision and the award of loans, please identify each FR that is applicable and how compliance is evidenced. The Council advised; the council has no policy regarding the making of loans to community bodies. • That when approving the payments on the payment schedule the Council gained assurance from the RFO that payment complied with the Councils FRs and all relevant policies and control procedures, and relevant and appropriate supporting evidence was present. The Council advised; the council did not seek this assurance. The matter was flagged up as having been carried out incorrectly and was added to the council's agenda in January/February; only the Chairman seemed concerned about the terms of the agreement needing to be formalised and refused to sign the initial proposal as being too informal and weighted on the side of SS&SC. The Clerk provided a more formal document with an explanation about who was liable in the event of any default of payment. <p>The SS&SC identified it did not have adequate funds to cover its liabilities. The Council was asked to confirm, and demonstrate how, it ensured it protected public funds by ensuring that the loans were entered into after the Council gained assurance they could be afforded. Evidence to support the assessment of the risk of loan default was requested, along with details of the assessment and agreement to defer the commencement of repayments to August 2021. The Council advised; the council cannot provide this evidence.</p>
5	Neighbourhood Development Order (NDO)
	<p>A number of the payments in the sample tested related to the NDO, as a result of limited information being available to demonstrate compliance with the Councils FRs the following was asked.</p> <p>The Council has obtained a grant of £49,900 to progress a NDO. The Council was asked to provide evidence to show that;</p> <ul style="list-style-type: none"> • During the year the Council has managed the use of this grant, • There has been full compliance with each of the Standing Orders and FRs that apply, • Ensured compliance with the terms of the grant / the requirements of a NDO.
	The Council advised; the members of the Finance Committee could not provide any detail on this and are not aware of the terms of the grant that has been received. There has been no meeting of the

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	Neighbourhood Plan group for more than one year. Anything to do with NP or NDO is referred to the chairman of the Neighbourhood Plan group who works closely with the project manager / Highbury Design. It is believed Highbury Design were appointed many years ago to act as project manager on this project; none of the members at the Finance Committee meeting were aware of that process having taken place – they joined the council and were told how things lay. Now when payments such as those relating to the NDO grant are presented for payment, members assume it is in line with the schedule that is overseen by Highbury Design and the NP Chairman.
	Note – it is understood that if the grant is not spent by 30/06/2021 it may need to be returned, the Council should clarify the position.
6	Clarity over the Parish Councils role and responsibilities as a Corporate Trustee of the SS&SC
	The Council has a lease between the Council and the Council as a Corporate Trustee of the SS&SC. The Council was asked to provide evidence to show it assessed its risk associated with its Corporate Trustee role and took mitigating action as appropriate.
	The Council advised; there is no evidence of this. Members are generally unaware of what it means to be a corporate trustee and the responsibilities of that role.