

ALSTON MOOR PARISH COUNCIL AUDIT MAY 2021: NOTES

Audit Trail

- 1)
 - i. Invoice 1st October 2020: Collins Gardening and Tree Services. £1,000.00.
 - ii. Recorded in Accounts as paid 7th October 2020.
 - iii. BACS payment to Michael Collins recorded in Bank Account on 7th October 2020.

- 2)
 - i. Invoice 19th November 2020: Peter Dodd Fencing & Agricultural Services. £49.99.
 - ii. Recorded in Accounts as paid on the 9th December 2020 (ref. Peter Dodd – M. Denoual expenses- Christmas lights (in fact it was for a Christmas tree for Nenthead)).
 - iii. Cheque No. 101970 dated 9th December 2020- paid to “M Denoual” recorded as £44.99 in the Cheque stub!
 - iv. Cheque No. 101970 for £49.99 recorded in Bank Account on 22nd December 2020

- 3)
 - i. 24th November 2020: Receipt for Christmas tree lights/ decorations bought at B & Q in Penrith paid for by Card with the transaction totalling £202.00 attached to blank sheet of A4 (i.e., no explanation).
 - ii. Recorded in Accounts as Paid on 9th December 2020- and referenced “B & Q- Z Robson expenses- Christmas lights”.
 - iii. Cheque No. 101969 dated 9th December 2020- for £202.00 paid to “Z Robson” with “Nent Christmas Lights” recorded in Cheque- stub.
 - iv. Cheque No. 101969 transaction for £202.00 recorded in Bank Account on 22nd December 2020.

- 4)
 - i. Invoice 1st January 2021: Invoice from SLCC for Annual Subscription. £144.00
 - ii. Recorded in the Accounts as paid 9th December 2020.
 - iii. Cheque No. 101971 dated 9th December 2020- for £144.00 recorded as paid to SLCC (for Annual Subscription) as recorded in the Cheque Stub.
 - iv. Cheque No. 101971 transaction for £144.00 recorded in Bank Account on 7th January 2021.

(Complements the Audit Trail in the half- yearly Audit- November 2020)

Parish Council Website and Policy Documents

Alston Moor Parish Council Website was beset with technical problems, including a Plug-in supporting the Website no longer being maintained and up-dated. As a consequence of this glitch all information- and links to the information- on the old Website was lost, this happened at the end of August 2020. It took the work of a local Website technician to help fix the problems and working with the Clerk to upload/ replace lost documents and information.

There are a couple of points about the functionality of the Website and errors:

- i. The link to the Precept Meeting Minutes (for 11th Jan. 2021) does not take one to details of the Precept Meeting where the budget was discussed and agreed. Since the Precept for 2021-22 is rather higher than for 2020-21 it is good for the Public to be able to find out why. I note that the Precept Minutes have been uploaded to the AMPC Website, but that it is not easy to find.
- ii. Briefing Paper: Nenthead Recycling Centre- Coun. Denoual (Dec 2020). Link does not work- just comes up with “404: Page Not Found” message.
- iii. Under Committee Meetings- ADP Agenda 14th Dec 2020 link does not work. Same error message as ii.
- iv. Under Annual Parish Meetings, no link to Annual Report 2019-2020.
- v. Under Previous Meetings. Link to Briefing Papers- AMERG 26th March Coun. Grew: Link leads to “404 Page Not Found”.
- vi. No links to Minutes of monthly Meetings during 2016 through 2019. These have not been replaced following the Website crash of August 2020. Links to the 2015 Monthly Meetings are available under Archive Minutes.
- vii. Under Parish Councillors the email link for Laura Seaton comes up with aura.seaton@... Not “laura.seaton@...” as- per her actual email contact.
- viii. No links to the four “Community Plans” listed on the Website.
- ix. At the bottom of the “Activities” page on the Website- links to “Charity Scheme” and “Historic Indenture” don’t work. Nothing happens when you click on the links!

Policy documents on the website have been updated and include:

- i. Members Registers of Interest up-to-date.
- ii. Asset Register complete and up- to- date
- iii. All items of expenditure over £500 on the AMPC Website, not £100 as before.
- iv. Precept for budgeted expenditure for 2019-2020 on the Website, but NOT for 2020-2021.
- v. Standing Orders Policy reviewed updated August 2019
- vi. Communications Policy October 2019
- vii. Financial Regulations Policy 2019 updated November 2019, reviewed December 2020.
- viii. New Infectious Disease Policy document March 2020
- ix. Health and Safety Policy adopted December 2020
- x. Complaints Procedure Policy Document updated January 2020
- xi. Public Participation Policy adopted July 2019

- xii. Working Groups Policy adopted July 2019
- xiii. Risk Management Policy last updated June 2018
- xiv. Anti-Fraud and Corruption Policy Document (from June 2018).
- xv. Retention of Documents Policy -last updated Nov 2018
- xvi. Publication Scheme Policy. Last updated Nov 2018- complete with instructions on how to access information from AMPC.
- xvii. Subject Access Policy 2018
- xviii. Lone Workers Policy -not updated since introduced 4th June 2018
- xix. Council Representatives Policy- last updated 4th June 2018

It is worth noting here is that the Parish Council adopts the Model Publication Scheme as governed by the Freedom of Information Act (2000).

Account Adjustments and Discrepancies: 1st April 2020 to 31st March 2021

Accounting Adjustment

I note that £6,000 was approved by AMPC to be vired from Reserves to “Property Management”, Item 15 of the Minutes of the Council Meeting dated 2nd November 2020. This was mainly covering the cost of tree surgery/ works. Yet, in the Accounts for 2020-2021, completed to 31st March 2021 the total of the Property Management shows a total spend of £1,992.34 with the budgeted expenditure £2,500. In the Accounts at the end of October, the Property Management total for actual spend was £2,939.16 (including £1,000 of tree works), but the accounts were clearly adjusted to the lower figure. If the Council approved £6,000 of expenditure being vired to Property Management, it should really be included in Property Management in the Accounts- even if this clearly shows a massive overspend compared to the Precept budget.

Errors and Discrepancies

I have found some mainly small discrepancies in the Accounts, such as incorrect Invoice dates and some small numerical errors. One of the errors is potentially- serious. They are listed here:

VAT Error

- i. Invoice dated 18th Dec. 2020 for £2,860.80 from Eden District Council for the maintenance and supply of footway lights. According to the Invoice this included £476.80 of VAT. This was recorded in the accounts as paid on 8th January 2021 but the VAT was not recorded. Thus, there was £476.80 of VAT that could have been reclaimed from HMRC for the Parish Council but which was missed.

Variances 2020-2021

I was not supplied with an Explanation for Variances file for 2020-2021. Suffice to say, my preliminary findings show that Total Gross Expenditure during 2020-2021 was £63,706.32, which is 19.3 % more than the Total Gross Expenditure of £53,405.06 for 2019-2020. This is certainly significant in terms of it being more than a 15% Variance. The reasons for this change are mainly due to a huge increase in "Property Management" costs plus additional costs in helping residents of Alston Moor during the Covid- 19 lockdowns (AMERG).

Other mainly minor errors listed here:

1. 23rd July 2020: Reference to "Collins Gardening & Tree Services", cheque No. 101960 for £180.00. A spell-checker that can be found in Excel under "Review", which would help to eliminate spelling- mistakes in the Accounts.
2. CALC invoice dated 27th May 2020 for £17.00 recorded in the Accounts as received 1st May 2020
3. B Leiper Invoice for £190 dated 21st May recorded as received 1st June
4. 4th June 2020: Payment to "Alsto Town Hall" (not "Alston Town Hall") for £5,510 recorded in the Accounts. Again, the spell- checker is useful.
5. 4th June 2020: Payment for £510 to "Alston Recreation Grounds" recorded in the Accounts and on the Cheque stub (no 101949) of the same date . This is referred to "Fairhill Recreation Grounds" in the list of Accounts for payment presented at the Meeting on 1st June 2020- as indeed it is elsewhere in the Accounts. Consistency in the names of payees would help avoid causing confusion.
6. Zoom Video Communications Invoice for £14.39 received on 25th June 2020 recorded as received on 27th June 2020 in the Accounts
7. Mad Hatters Hardware Invoice dated 31st May 2020 total £26.69 recorded in the Accounts as received 31st June 2020 (only 30 days in June)
8. Dropbox International Invoice for £9.99 dated 11th July 2020 recorded in the Accounts as received/ Aged 13th July 2020.
9. Envato Invoices dated 12th September 2020 recorded in the accounts as received 14th September.
10. Invoice dated 30th September 2020 for Alston Town Hall from Mad Hatters, recorded in the Accounts as a payment for £22.50 dated 4th November 2020. Ditto a payment for £8.00 for Padlock Keys. Although I noted top four items listed on the Invoice, it would not be clear to others checking the Invoice what items add up to £22.50, or that the second entry in the Accounts for £8.00 referred to another item on the same Invoice. It's not clear whether the Town Hall paid in full, and the Council reimbursed the Town Hall for items bought on the Council's behalf. I also note that Mad Hatters VAT

Registration Number has not been recorded in the Accounts. Invoices have to be clear, and who pays for what made clear on them to avoid confusion, likewise for Account entries.

11. Ionos bill dated 6th October 2020 for £3.59 recorded in the accounts as received 5th October.
12. Amazon bill for £117.78 (for Microsoft Office software) dated 2nd October 2020 paid twice. Fortunately, the duplicate payment was refunded.
13. Invoice dated 9th October 2020: Recorded as a payment to "Lights 4 Fun" for £245.92. The VAT payable on the Invoice is £40.98 and the Net amount before VAT as £204.94. However, in the Accounts the VAT has been recorded as £40.99 and the Net amount as £204.93: I note that one sixth of the Gross Amount has been used to calculate VAT- and thence the Net amount, and the VAT figure rounded to the nearest penny. However, it is always good accounting practice to use the values on the Invoices unless there is strong evidence to believe the VAT information has been calculated in error.
14. Invoice from Peter Dodd Fencing and Agricultural Services dated 19th November 2020 and paid by M. Denoual by Card. M Denoual was reimbursed for this expense for a Christmas tree purchased on behalf of the Council on 9th December 2020. All this information and VAT amounts recorded correctly in the Accounts as £49.99 but on the Cheque (No 101970) the stub records this as a payment of £44.99.
15. Invoice from Collins Gardening and Tree Services for £850.00 dated 4th December 2020, recorded in the accounts as Received/ Aged 18th December 2020.
16. Direct Debit Payment to ICO on 18th December 2020 for £35.00, also recorded in the Accounts under this date. It appears to be a one-off payment as ICO does not appear elsewhere in the Accounts. No indication as to what it is, and it was not even presented at the Meetings in December 2020/ January 2021 as a payment to be made or that had been made.
17. Remittance Advice dated 14th January 2021 for £100.00. Refers to income received in the bank account on 18th January 2021 which was a credit transfer of £100.00. The remittance advice refers to an Invoice on the 8th April 2020 but in the Accounts is listed as an Invoice issued by the Council on 1st April 2021. The Remittance Advice is from SSCL but in the Accounts is listed as EA- Tyne Willow- Rent. The entry in the Bank Account for the £100 Credit is also EA (Environment Agency). Not only could a Remittance Advice amongst Invoices to Pay cause confusion, but incorrect details as to dates and to what/ whom it relates to could too.
18. Direct Debits of £84.40 to Royal London Scotlife: It is not clear from the Accounts that this relates to contributions to the Clerk's Pension, it is listed in the accounts as "Wages". For those checking the Accounts it is helpful for them to see the reason for these payments, so they are confident that all Public funds are spent appropriately.

19. Invoices from Mad Hatters dated 31st May for £26.69, 31st July for £12.00 and 31st August 2020 for £4.00 are addressed to The Town Hall, not “Alston Moor Parish Council”. As AMPC pays these Invoices, Mr English (Mad Hatters’ Proprietor) needs to address the Invoices to “Alston Moor Parish Council”. If there are not Invoices addressed correctly these must either be forwarded to “Alston Town Hall” or corrected. Suppliers sending Invoices to AMPC must address them as such to avoid causing confusion. This was brought to the Clerk’s attention in the half- yearly Audit (November 2020)
20. Small error in the Accounts for payments that cleared 6th April 2020. Vince Peart wages recorded in account as £229.88, but in the Bank Statement as two payments, one for £229.87 and the other for £0.01 (i.e. one penny). The above £0.01 entry in the Bank Account was then attributed (wrongly) to Stanton Mortimer (Garrigill Village Green) and there is no other record in the Bank Statements of Stanton Mortimer (for Garrigill Village Green) having been paid. However, the Clerk paid Stanton Mortimer the £0.01 and was reimbursed by the Council for this cost.
21. Date of 31st April referred to in Bank Reconciliation Statement for April 2020. There are only 30 days in April. Also, no signature for the Bank Reconciliation for April 2020. This was brought up in my half-yearly Audit (Nov. 2020).
22. Accounts for Payment shown for approval at 6th July 2020 Meeting as “at 31st June”. Note only 30 days in June.
23. 5th February 2021: Cheque No. 101972 for £50.00 paid to the Royal British Legion did not clear the Bank Account until 26th April 2021- i.e., after the 2020-21 Financial Year.
24. 16th February 2021: Cheque No. 101973 for £6,000.00 paid to “North West Ambulance Service” did not clear the bank-account until 21st April 2021, after the 2020-21 Tax Year.
25. 3rd March 2021: Payment for £400.00 recorded in the Accounts as to “Collins Gardening & Tree Services”. Spell- checker needed.
26. End of year (31st March 2021) Trial balances. Discrepancy of £2.00 because the opening Affinity (formerly Eden Credit Union) balance was £7,008.58 before the affinity fee was taken off, not £7,006.58- as it was at the year- end. Thus £6,052.00 uncleared expenses right of the top Closing Balance totals is £2.00 greater than the £6,050.00 for uncleared cheques recorded below.

Spending Items Missed in “Accounts for Payment” for the Parish Council

1. 1st May 2020: Payment of £57.74 to Enterprise CW. Not covered in “Payments Since last Meeting” in “Accounts for Payment” on 1st June 2020 nor in payments to be made in the previous meeting. I understand that this was a difficult period with full Pandemic- control Lockdown conditions having been imposed over this period, but every payment of public funds to be made (or that has been made- if not mentioned

in the previous meeting) should be on the “Accounts for Payment” presented to the Council.

2. Minutes of Meeting on 1st June 2020. At bottom of Accounts for Payment is listed “Payments since last Meeting”. There is no value given for Wages and Salaries.
3. 6th July 2020 AMPC Meeting: No mention of the £700 AMERG donation paid on 5th June 2020 under “Payments Since last Meeting” in the presented Accounts for Payment which, incidentally, cannot have a date of 31st June 2020 since there are only thirty days in June. AMERG has been considered under “General Purposes”, but if £700.00 is paid out the Council need to know. However, it was agreed earlier that the Clerk could dispense the remainder of £1,000 budgeted for AMERG as/ when needed (Item 9, Minutes of 1st June 2020 Meeting).
4. 3rd August 2020 AMPC Meeting. Under Paid Invoices of “Accounts for Payment”, dated 31st July 2020, presented to Council the payments to Alston Webweavers were listed as totalling £2,060.00 whereas the bank statements show to payments of £1,000.00 each to Alston Webweavers during July 2020 and the third for £59.40 cleared the bank on 7th August. The Accounts also show these payments, which come to a grand total of £2,059.40, some 60 pence short of the total presented at the August Meeting.
5. 7th September 2020 AMPC Meeting: Reimbursement payment of £2,445.71 expected from Alston Town Hall listed under Debtors under presented Accounts for Payment 31st August 2020 (this Debtor error had also been presented at the 3rd August Meeting). Fortunately, by the time of the 5th October AMPC Meeting the amount under Debtors under “Accounts for Payment” (dated 30th September 2020) had been corrected to £ 2,539.91.
6. 7th September 2020 AMPC Meeting. Whilst the duplicate payments, each of £8.95 to Buzz Networks, were declared on the Accounts for Payment dated 31st August 2020, the *normal* August payment of £8.95 to Buzz Networks was missed.
7. 5th October 2020 AMPC Meeting: Under Creditors under the presented Accounts for Payment dated 30th September 2020 Lights 4 Fun listed as a bill for £260.91. In the Accounts the Payment to Lights 4 Fun was recorded as being on 9th October for £245.92- as was the Invoice for it and the transaction in the bank statement for October 2020. I note that the Invoice from “Lights 4 Fun” was dated 9th October 2020, but the Meeting took place on the 5th October. Only listing bills under Creditors once one has received the Invoice and know the exact amounts would prevent such errors: Just record the payment at the next Meeting.
8. 4th December 2020: Bank interest of £0.32 received. This was not acknowledged under “Received since last Meeting” under Accounts for Payment dated 31st December 2020- which was presented at the AMPC Meeting dated 4th January 2021.

9. Direct Debit payment dated 18th December 2020 paid to ICO of £35.00. No indication in the Accounts what this actually is and it was missed by Council in their check of Items of Expenditure since last Meeting dated 4th January 2021.
10. 1st February 2021 AMPC Meeting: No mention of £151.00 of PAYE and £392.48 of PAYE for Alston Town hall paid to HMRC on 4th January 2021. This should have been listed under “Paid Since last Meeting” under the “Accounts for Payment” dated 31st January 2021 presented at that Meeting.

Small oversights by the Parish Council with Regards payments and monies due

1. At the Council Meeting on 1st June 2020, it was noted that Alston Town Hall still owed the Parish Council £112.50 for over-payment in relation to the Publicity Officer. The Town Hall had been invoiced for this money on 1st April 2020. Yet it was not until 18th December 2020 when the Parish Council were paid the money due.

Employment Contract for the Clerk

This has not been up-dated since 2019. The Council was also late in realising that the Clerk’s pay-grade had been up-graded since April 2020 and, in October, had to pay back-pay.

Ear-marked Spending outstanding from 2015-16 and Financial Reserves

- i. Only £700 of £19,712.90 of Precept Allocations from start of year spent by the end of the Financial Year
- ii. A total of £7006.58 of “Restricted Reserves” remain in the Affinity (formerly Eden Credit Union) account. This has not been touched.
- iii. Year-end total of Restricted and Allocated funds together is £29,196.90 (Financial Statement in the Accounts).
- iv. Total Expenditure during 2020-21 was greater than the total Income by £1,628.04. I note that this follows a number of items of unexpected expenditure during a challenging year due to the Covid 19 restrictions. However, the reserves in the Accounts- after Restricted/ Allocated reserves were taken out (and unspent 2020-21 Budgets are added) was £43,674.07 at 31st March 2021. This puts AMPC in a position to cover substantial unexpected expenditures over several years.



May 2021