

Report to DPPC and Internal Auditor, produced by Cllr Minna Ireland 12 March 2023.

The Clerk resigned in October 2022 and her employment ceased on 31 January 2023. DPPC documents, laptop and other assets were handed over by the outgoing Clerk in early February 2023. The Clerk had informed the Council she had mislaid the cheque book in early January; a new cheque book was obtained and payments made from this.

In preparation for the February Council meeting, the Chairman, Lyn Noble and myself, Vice Chairman Minna Ireland, prepared the Financial Transaction and Actual against Budget reports. We were concerned to note the Cash Book had not been properly maintained, but produced our reports based on cheques issued from the new cheque book and Bank Statements, informing Councillor colleagues that we would investigate the Cash Book issue.

We have now gone through all Bank Statements, Invoices/receipts, Financial Transaction Reports and Actual against Budget Statements from 1 April 2022 to 31 January 2023.

A complete record cannot be finalised until the next Bank Statement is received in March, but the following issues have been identified.

1. The Cash Book has not been properly maintained since May 2022.
2. Some receipts have **not been recorded** in the Cash Book although reported to the Council on Financial Transaction reports. These include: Wayleave received in Dec/Jan £54.27- still not shown as paid into bank as at February 2023 statement.
3. A B&M £25.00 Gift card, paid for by Cllr Ireland, and returned to DPPC as a donation by the resident to whom it was given, has **not been recorded** in the Cash Book as a receipt, although it was stated as a receipt on the Financial Transaction report in June.
4. An Allotment fee £79.00, paid by cheque issued by Mr. Thompson and given to the Clerk, has **not been paid into the bank**, nor recorded in the Cash Book.
5. The Clerk wrote cheques to include salary payments and repayments for expenses incurred on behalf of the PC, together in the same cheque. There are no records of salary payments in the invoices file; some of the receipts/invoices paid with salary are also missing. This is an issue for the Council to note with concern – it is not good practice for salary payment cheques to include payment for other items. **The Financial Regulations should be updated to prohibit this in future.**
6. Several payments recorded in the Cash Book do not tally with Bank Statements; some of these, we have deduced, included salary payments, but these are not properly recorded. A full list of these is provided at the end of this report.
7. The cheque book was lost in January 2023 and reported to the Council. The Cash Book, as we now know, was not properly maintained, therefore it is not known to whom or for what some cheques were issued as there are no unaccounted for invoices. Cheque no 1290 has been encashed, therefore it may be assumed that earlier cheques 1281, 1288 and 1289 were issued. At present it is assumed that 1290 was the last cheque in the cheque book.
8. Figures in the Actual against Budget reports were sometimes wrong, e.g. balance brought forward in June understated by £1,000, uncleared cheques did not tally with the Cash Book; the total in November for grass cutting is incorrect and should be £2,301.00 for 11 cuts. It was difficult for Councillors to check the figures for accuracy when these were presented at the meeting, rather than being circulated in a timely manner beforehand, as often requested.
9. It appears, according to the Cash Book, the Clerk was not paid in September or October 2022 – this is unlikely and may account for two of the unrecorded cheques. Total salary

payments, 1/4/22 - 31/1/23 including back pay, should equal £2,653.20. The Clerk was below the limit required for NIC or PAYE.

10. The Clerk was paid £180 as a contribution to her telephone/broadband – this was budgeted as £15 per month and therefore should have been paid pro rata £150.

Recommendations:

1. Either a Finance Committee or be introduced as soon as possible with appropriate Terms of Reference, or a Councillor be designated responsibility for: oversight of the Council's finances and, as a support to the Clerk/RFO, a minimum of bi-monthly checks on transactions, financial records and Bank Statements.
2. The Financial Regulations be amended to include a clause requiring salary payments to be made separately from payments for non-employment items.
3. All cheque signatories be required to be aware of the Financial Regulations and the implications of signing cheques without the proper documentary evidence to support the total amount of any cheque presented to them for their signature.
4. Cheque signatories to initial back of every cheque stub they sign.

Transactions with incomplete evidence

Cheque No	Date cashed	Amount	To whom?	For what?	Missing supporting evidence
1250	28.4.2022	£221.00	J. White	March salary	No salary slip on file
1253	24.5.2022	£391.07	J. White	April salary, Amazon purchases, Annual Meeting refreshments	No salary slip, no receipts on file
1255	14.6.2022	£420.00	Walkers	2 grass cuts	No invoice on file
1256	8.6.2022	£520.89	Zurich	PC Insurance	No invoice on file
1257	7.6.2022	£69.24	Wave Water	Allotment water supply	No invoice on file, only later account update
1258	7.6.2022	£39.77	Viking Direct	Paper & envelopes	No invoice on file
1259	13.6.2022	£95.03	CLCA	Membership subs	No invoice on file
1260	1.6.2022	£75.45	Minna Ireland	Children's games bought from The Range and £25 B&M Gift card	No receipts on file although these were handed to Clerk
1263	1.7.2022	£260.51	J. White	May salary, unknown	No salary slip or Amazon receipts on file
1267	15.8.2022	£640.00	TV Wildlife Trust	Work in the Batts	Wrong amount, invoices = £620
1271		No record	No record	No record	No record
1272	12.9.2022	£485.95	J. White	Recorded as glass paperweight	Only invoice on file is for £16.95
1275	14.9.2022	£244.50	J. White	Salary and paperweight	Only Asda receipt for £23.50 on file
1279	26.10.2022	£325.88	NALC	Training/conference fee	No invoice on file
1280	23.12.2022	£210.00	J. White	Queen photo & flowers £27.00	No receipts nor records for remaining balance
1281		No record	No record	No record	No record
1286	13.12.2022	£402.80	J. White	Nov salary and backpay	No salary slip on file
1288		No record	No record	No record	No record
1289		No record	No record	No record	No record
1328	7.2.2023	£301.20	J. White	December Salary and wine £60	No salary slip, no receipt on file