

LYDD TOWN COUNCIL

INTERNAL AUDIT REPORT 2019-20

I am pleased to report to Members of the Town Council that I have carried out the end of year internal audit of the Town Council's records for 2019-20 and have been able to complete the Annual Internal Audit Report for the 2019-20 Annual Governance and Accountability Return

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Town Council's internal control procedures.

Members will be pleased to know that I did not find anything major in the audit to report and that I found the record keeping to be of a good standard and the Town Council's approach to the management of risks to be sound.

I would like to take this opportunity to thank your officers for the assistance given to me in the conduct of the audit that took place on 29 July 2020.

PREVIOUS AUDITS:

External Audit Certificate 2018-19:

Covered in my interim report

Interim visit 2019-20:

At the time of my visit to review the accounts my report arising from the interim audit had not been considered by the Council. I will leave follow up action to the next interim visit.

NOTES FROM THIS VISIT:

During the visit I tested the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations all into the final accounts workings and statement. I also reviewed the minutes, the asset list and staff pay.

I found all the financial records to be accurate and up to date. There were no unexplained entries in the bank reconciliations.

The accounts are consistent with the Council's activity as evidenced in its minutes, receipts and payments.

In reviewing the minutes I noted examples of councillors appearing to act at least in an inappropriate manner and at worst unlawfully. I must reiterate that parish councils cannot lawfully delegate to individual councillors or to a group of councillors not constituted as a committee. They may delegate only to a committee or sub-committee, to an officer or to another authority. This is set out in s101 Local Government Act 1972. In effect parish councils are constrained to act collectively and a parish councillor may only act in an executive role if simultaneously holding the office of clerk. It follows from the restriction on delegation that an individual councillor should not issue purchase orders or contracts on behalf of the council (as covered in Financial Regulations) nor issue instructions to staff or to third parties on behalf of the Council (as covered in Standing Orders).

The Council approved the basketball hoop at the Rype at its meeting on 6 January 2020. At its next meeting a member of the public queried the placement of the hoop which was acknowledged to be in the wrong place. A councillor had instructed the firm to put the hoop in an incorrect location. The councillor had not been authorized to issue any instruction in relation to the hoop. As can be seen from the previous paragraph that councillor's action is a breach of the Council's own Standing orders and possibly of the Code of Conduct (in holding him/herself as able to make decisions).

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Minutes for the Planning and Environment meeting from 9 December 2020 were not signed by the chair of the meeting on 13 January 2020 because the chair objected. The Council's Standing Orders (12d) require a chair to sign minutes even if he/she believes them to be inaccurate but allow the chair to add an explanatory paragraph.

At the same meeting a councillor is recorded as inserting their own memory stick into the Council's PA system and removing it at the end of the meeting. No consent or authorization for this is recorded. I asked if there was any follow up to these events and was informed that on 17 January 2020 two councillors with a contractor in tow gained access to the Council offices at 7pm and proceeded to examine the PA system. Again I can find no evidence that this activity was authorized by the Council which implies that Standing Orders were again breached.

From the above it appears evident that one or more councillors believe that they can take decisions on behalf of the Council. This is incorrect, as stated above and subject to the one exception, no parish councillor can make decisions alone. Decisions cannot be made by a group of councillors unless at a formal council or committee meeting.

At this point I am duty bound to bring to the Council and its councillors' attention that, having been warned that an activity would be unlawful, to then continue with the activity risks the external auditor concluding those involved to be guilty of wilful misconduct and then applying to the court to certify any losses caused as being recoverable from those involved.

Recent Planning and Environment meetings have been attended by two councillors. I have not noted any disagreements but the minimum quorum is three.

I have nothing further to report.

Lionel Robbins
Independent Internal Auditor
24 August 2020