

VERWOOD TOWN COUNCIL 2022/23

The Town Council's Finance Officer was on long term sick leave for the majority of this financial year.

A temporary book keeper was contracted to carry out the work but staff in post at the time were unable to devote as much time needed to ensure that they were fully briefed.

In April 2022 the Council moved from using Sage to using Xero as an accounting package. The porting across of data from the previous financial year appears to not to have gone smoothly.

In September 2022 the Council's current bank account with Lloyds Bank was finally closed but the Business Savings Account was not closed as instructed & this led to funds from a Fixed term Deposit Account being transferred into the Business savings account in Nov 22 rather than it transferring across to the Unity Bank. This "unclean" closure of accounts coupled with operation of the new Accounts Package by an untrained member of staff meant that errors occurred and bank reconciliation was problematical.

CBA Accountants were called in by Sept 2022 to review payments to HMRC through VAT reclamation, and PAYE plus reconcile the bank accounts.

As of 28th June 2023, bank reconciliation has not been completed on the Council's Unity Trust current Account nor on the Lloyds Business Savings Account. Overpayment to HMRC for PAYE has been calculated & addressed. VAT sums reimbursed to this Council are under review and may require this Council to repay funds to HMRC (VAT).

With the crossover of old to new Clerk and lack of permanent Finance Officer, the Council's Insurance Policy was not reviewed by Members in 2022/23 prior to its renewal in May 23.

With this in mind, the Council is very aware that the Council's financial systems are work in progress still and also the Council should have had an intermediate audit during 2022/23.

The Council's new Internal Auditor has selected "no" for M – Exercise of Public Rights of Inspection. The Council awaits an explanation as it is clearly minuted 072/22/23 Council 29 June 22 and appeared on the Council's website and notice boards for the required period of time.

The Council has taken steps to correct these errors by contracting with CBA Accounting and has also set up the Accounts, Audit & Budget Sub Committee to review matters going forward.