



Black Rose Solutions Limited

74 Leacroft Road
Penkridge
Staffs
ST19 5BU

0781 321 7576
sandie.morris@blackrosesolutions.co.uk

27th April 2021

Dear Garry,

Hednesford Town Council - Internal Audit 2020/21

I confirm that I have carried out an examination of your accounts and procedures, in accordance with the requirements of the Accounts and Audit Regulations 2015.

Despite the social distancing limitations imposed by Covid19 it has been possible to complete Internal Audit work remotely.

I can state that I have some concerns, summarised over and in the attached report.

I consider that the audit arrangements were “adequate”, however due to the Covid19 situation, working remotely, and the turnover of key staff during the year the audit could not be as comprehensive as I would normally offer.

I would also confirm that I am totally independent of your Council and have no contact, at any level, with any Member, employee or supplier.

Your sincerely,

Mrs Sandra Morris ACMA



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Recommendations, Concerns and Comments

Immediately prior to the audit in 2019/20 the Clerk and Assistant Clerk left the council. A new Administration Officer has been in position for some time, but a Clerk recruited during the period has since left. There is a new Operations and Regeneration Manager recently in position, but the Responsible Finance Officer role is still being undertaken by a Councillor.

This instability in staffing has caused some issues during the period, but the council has demonstrated that it intends to resolve these issues with well qualified staff in position.

B Payments and VAT and E Income and VAT – the council needs to implement controls and independent verification of VAT returns to ensure that returns are accurate. Scribe does not automatically report amendments to past periods, so any amendments need to be manually identified to ensure correct reporting. VAT on “Business Income” also needs to be tracked, reviewed and reported.

The council needs to ensure that more detailed expenditure reports are available to council and published as appropriate to meet approval and transparency requirements.

G Staff and Salaries – I recommend that the council develops a policy to ensure that they meet the requirements of the off payroll working regulations.

H Asset registers and C Risk Assessment – the council needs to prepare a register of all material assets owned or in its care. This is essential to ensure adequate insurance and risk assessment, and accurate reporting in the Annual Return.

The council should review and approve its risk assessment annually

N Publication of 2019/20 AGAR - the council had failed to publish the external audit report in line with requirements.