

Do the Numbers Limited

37 Upper Brownhill Road
Southampton, SO16 5NG

5th April 2022

Linda Hooper, Clerk
East Challow Parish Council
c/o East Challow Village Hall
East Challow
Wantage OX12 9SR

Dear Linda,

Subject: Review of matters arising from Internal Audit for 31 March 2022

Following my visit with you at the Village Hall today, please find below the list of matters arising. As discussed, the list is substantial largely as a result of the officer changes during the last year. The council should review the list quarterly until all of the matters have been addressed.

The internal audit was carried out in accordance with the requirements of the [Audit and Accounts Regulations 2015](#) and the guidance and instruction in the [Practitioners Guide 2021](#)

I found the records of the council to be in reasonable order and that the review went well.

Test	Matter arising	Recommended Action
<i>A</i>	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
Invoice and correspondence addressing	Due to staff changes in the year, several bank statements and supplier invoices were not in the possession of the clerk at the date of review.	In advance of the AGAR being signed, the clerk should ensure that the file is complete. The council should ensure that all correspondence goes to a permanent address (such as the village hall)
Payment authorisation	Supplier payments were made electronically by the former clerk from the Co op account. It is unclear what oversight the members had of that account.	The bank accounts should be merged and the payment summary and bank reconciliation approved in the signed minutes at every meeting of the council.
Grant Applications	The council appears to have made 'donations' to a narrow group of bodies, rather than operating a transparent and fair grant making process.	All grants (donations) to external bodies should be based upon a proper grant application form (example here) and a transparent policy published on the website
<i>B</i>	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Minute authorisation	The set of signed minutes was incomplete, as was the set of web minutes, however during the review a complete set was identified.	In advance of the AGAR being signed, a full set of hard copy signed minutes and a full set of web minutes should be completed.
Hard copy minutes	It is a requirement of LGA 1972 that every page of the minutes is intitled	Please ensure that when the file set of minutes is being compiled, this

	(including pages like the bank rec and payment listing) and the last page signed and dated.	is carried out.
Non agenda decisions	The council has on its agenda "any other business". This is not permitted as decisions could be made that were not on the agenda.	The council should update the agenda template to read "items for the next agenda"
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
Risk assessment	The council has been reviewing the risk assessment regularly but should ensure that it reflects staff changes.	The Risk Assessment is due for review before the AGAR is signed.
Burial Ground	The council has expended significant sums assessing the water table at the burial ground to comply with the new EA rules (which will only get stricter in future)	It may be worth reconfiguring the space for memorials and cremations so that income can accrue to the council rather than costs.
D	<i>The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
Budget approval	When the budget and precept amount are approved, they should comprise pages of the signed and published minutes.	When the minute records are being completed for 2021/22 this should be done, and going forwards.
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
VAT 126 reclaim	The council has been reclaiming VAT annually, when quarterly or half yearly may be better.	The 2021/22 VAT reclaim should be submitted in advance of the AGAR being signed.
F	<i>Petty cash payments were properly supported by receipts, all petty cash was approved and VAT appropriately accounted for</i>	
	Not applicable to this council	
G	<i>Salaries to employees and allowances to members we paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied</i>	
Wages records	It appears that the former RFO has maintained the payroll for the council on a copy of HMRC basic tools on which the details of other organisations were also run. This means that upon her resignation, the council has lost access to its entire payroll history and the ability to complete the 2021/22 year end.	The former RFO should be requested to provide PDFs of all of the leaver forms for the two former employees (Sanders and Bedford) and P60's for the two current employees (Evans and Bedford) with RTI submission evidence for the full year to match the cash book, without delay. This should be complete before the AGAR is signed.
Future wages records	From the data provided by the former RFO, the current clerk should set up Basic Tools on the council laptop so that the records are secure.	All future RTI emails should go only to the council account.
Contract of employment	It is unclear whether the current employees have up to date contracts of employment.	The council is a member of SLCC and OALC – advice should be sought from them.
Line 6 / line 4 separation	In the draft cashbook submitted for audit, payments made to the former clerk (Bedford) had been entered in line 6	In advance of completing the AGAR, the clerk should check all cashbook allocations against the up to date

	rather than correctly in line 4.	guidance in Section 5 of the Practitioners Guide .
<i>H</i>	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Published asset register.	The council does not appear to have purchased any assets in the year but the list on the website is out of date.	In advance of completing the AGAR, the council should check the list and what is published.
<i>I</i>	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank Reconciliation	It is good practice to minute the reconciled bank balance on both accounts at each meeting.	The minute template should be updated accordingly.
Bank statements	It is good practice for the members of the council., in rotation, to initial that they have seen the original bank statement that supports the reconciliation.	When all statements are being received by the council in a timely manner this can be achieved.
Bank account login	It appears that the current clerk does not have online access to both bank accounts.	This should be rectified without delay and former officers removed from the mandate.
<i>J</i>	<i>Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail and debtors and creditors recorded.</i>	
Accounts cashbook	The accounts cashbook of the council is not easy to follow and has not always been kept up to date.	It may be worth the council investing in sector specific software (such as Scribe or Rialtas) to enable swift and clear reporting.
<i>K</i>	<i>Certified Exempt in prior year</i>	
	Not applicable to this council	
<i>L</i>	<i>Transparency Code</i>	
Website publication	The transparency code is not obligatory for ECPC, but the website is a highly effective way to ensure that all information is available to all even during staff changes.	Over the coming months, the clerk should aim to upload all of the transparency code information for 2021/22 and then going forwards.
<i>M</i>	<i>Public Rights</i>	
	The records of the council comply	with this test
<i>N</i>	<i>Publication of prior year AGAR</i>	
	The records of the council comply	with this test
<i>O</i>	<i>Trust funds</i>	
	Not applicable to this council	
<i>P</i>	<i>Borrowing</i>	
	Not applicable to this council	

Please find attached my invoice for the agreed fee and the signed page of the AGAR.
If either you or your members have any queries, please do not hesitate to contact me.

Regards,



Eleanor S Greene