

Do the Numbers Limited

13th June 2023

Laura White, Locum Clerk
East Challow Parish Council

Dear Laura,

Subject: Review of matters arising from Internal Audit for 31 March 2023

Following my visit today, please find below the list of matters arising. This report includes those matters not yet resolved from last year.

The report should be reviewed at every meeting until the list is cleared.

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 2023](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
Invoice and correspondence addressing	During the year, on several occasions, members have made purchases or incurred expenses that were addressed to them personally and then expected reimbursement from the council. This is not permitted.	All purchases should be arranged by and addressed to the proper officer. Expense incurred can only be reimbursed if it is for a valid council expense that has been minuted in advance. Grants can never be retrospective.
Payment approval	The council is still using cheques to pay bills and bank statements are addressed to the home of the Chair.	Once a new clerk is in post, a proper address for the council should be agreed.
Grant Applications	The council has again made 'donations' to a narrow group of bodies, rather than operating a transparent and fair grant making process. <i>(also raised last year)</i>	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
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Minute amendments	On several occasions, manual adjustments to were made to the signed minutes. It is unclear why these adjustments were not notified before the meeting and the Web minute set not corrected to match what was signed.	Minutes are a legal document that forms the permanent record of the council. They should be properly formatted and filed.
Non council business	The minutes have included updates regarding non council bodies and organisations on which no decision could be made.	Parish Council minutes should record the decisions of the council, not general community news.
Standard	The Financial Regulations and	This should be done in advance of

Documents	Standing Orders were not reviewed during the year.	approval of the AGAR and repeated each year.
Meeting attendance	The clerk was not named in the minutes as present.	All officers and members should be clearly minuted as present.
Audit report	The 2022 Internal Audit report was not addressed by the council until after the completion of the External Audit.	All audit reports should be addressed and actioned in a timely manner.
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 deferred approval of the Risk assessment for many months leaving it potentially exposed in an adverse event had occurred.	Documents should be approved promptly and then reviewed and revised if required. All documents should be based on best practice templates.
Burial Ground	It is unclear whether the prior expenditure on this project has progressed.	The incoming clerk will be able to review the cost effectiveness of the project.
Policy reviews	The council does not appear to have updated and approved its Data and HR policies in the year.	These should be brought to each meeting until all are up to date and correct.
D	<i>The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
Budget approval	The budget was not produced using Scribe and did not appear to have a proper basis.	Please ensure that the budget setting starts in October and is completed in a proper and timely manner.
Budget monitoring	The council does not appear to have reviewed its budgeted figures against what was actually spent in the year. With Scribe in place this is a simple process.	Regular monitoring and review of expenditure to ensure it is approved in advance should be carried out.
Reserves	The reserves of the council are higher than best practice and EMRs do not meet the requirements of PG 2023	In advance of budget setting, all reserve levels and earmarks should be critically assessed.
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
	The records of the council now	Comply with this test
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 were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied</i>	
Staff changes	The council does not appear to have reviewed pay rates and hours in the year.	Professional advice should be sought on benchmarking the new clerk pay and terms.
H	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Purchase authorisation	Councillors do not have the individual power to commit the council to expenditure.	Only spending agreed at a meeting and billed to the Parish council should be paid by the council.
I	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank	It is good practice to minute the	The minute template should be

Reconciliation	reconciled bank balance on both accounts at each meeting. <i>(also raised last year)</i>	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. <i>(also raised last year)</i>	When all statements are being received by the council in a timely manner this can be achieved.
Payment listing	The council approves payments, but there is no evidence of what has been paid to whom or that members have seen the list.	The list of paymentss must be included in the minute file as part of the permanent record.
J	<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>	
	The records of the council now	Comply with this test
K	<i>Certified Exempt in prior year</i>	
	Not applicable to this council	
L	<i>Transparency Code</i>	
Website publication	The locum RFO has brought much of the FOIA publication list up to date.	Over the coming months, officer time should be made available to ensure that the website contains all required information.
M	<i>Public Rights</i>	
	The records of the council comply	with this test
N	<i>Publication of prior year AGAR</i>	
	The records of the council comply	with this test
O	<i>Trust funds</i>	
	Not applicable to this council	
P	<i>Borrowing</i>	
	Not applicable to this council	

Please find attached my invoice for the agreed fee.

If either you or your members have any queries, please do not hesitate to contact me.

Regards,



Eleanor S Greene