

Do the Numbers Limited

16th May 2024

Jane Smith, Clerk
East Challow Parish Council

Dear Jane,

Subject: Review of matters arising from Internal Audit for 31 March 2024

Following my visit today, please find below the list of matters arising. I found the records and systems of the council to be in much improved order.

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 2024](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
Invoice and correspondence addressing	Again during the year, particularly at times when there was no appointed proper officer, members have made purchases or incurred expenses that were addressed to them personally and then expected reimbursement from the council. This is not good practice and should be avoided wherever possible.	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.
Payment approval	The council is still using cheques to pay bills and bank statements are addressed to the home of the Chair.	Now that two officers are in post, a proper correspondence address – even a letter box on the Village Hall – should be set up.
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Legality of payments	On one occasion the council made a donation to an external group against the advice of the RFO and the CALC	The legal power for all payments should be recorded where there is any lack of clarity.
Pavilion Project	The council is currently starting the process of rebuilding the pavilion.	At the earliest stage, appropriate expert VAT advice should be sought.
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 risk assessment appears to include areas that are not the responsibility of the council.	A model template has been provided to the officers. It should be adapted and adopted without delay.
Burial Ground	It is unclear whether the prior expenditure on this project has progressed.	Once a full admin team is in post, they will be able to review the cost effectiveness of the project.
D	<i>The budget resulted from an adequate budgetary process, progress against the</i>	

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Director: Eleanor S Greene

	<i>budget was regularly monitored, the reserves were appropriate</i>	
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 and future projects quantified.
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 we paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied</i>	
Staff changes	The council has again had staff changes in the year but the hours budgeted for are not sufficient to carry out existing and future projects.	The clerk should use the SLCC benchmarking tool to assess the appropriate hours and pay for the required officers and the council then budget for such.
H	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
	The records of the council now	comply with this test
I	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank accounts	Barclays closed one of the councils accounts without warning last year. Luckily a second account could be brought into use.	The council should look at an account that has appropriate authorisation and electronic banking going forward.
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.
Investment strategy	It is a requirement that all councils holding over £100,000 now have an investment strategy.	A good practice example such as this should be adapted and adopted
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 comply	with this test
K	<i>Certified Exempt in prior year</i>	
	Not applicable to this council	
L	<i>Transparency Code</i>	
	The records of the council comply	with this test
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
<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.

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

Regards,



Eleanor S Greene