

Do the Numbers Limited

37 Upper Brownhill Road
Southampton, SO16 5NG

28th April 2022

Melanie Stephens, Clerk
Fair Oak and Horton Heath Parish Council
2 Knowle Park Lane
Fair Oak
Eastleigh
Hants SO50 7GL

Dear Melanie,

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

Following my visits to the office today and earlier in the year, please find below the list of matters arising.

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 2022](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
Debit cards	Members of the grounds team are still using petty cash rather than a dedicated debit card.	It may be worth moving away from petty cash for the grounds team.
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
	The records of the council comply	with this test
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
	The records of the council comply	with this test
D	<i>The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
General reserve	The reserves of the council remain very high and more s106 and CIL funds are due to the council.	Projects should be identified and brought forward to make best use of reserves for current residents.
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
Card receipts	The council accepts payments for allotments and venue hire by card on a machine with a high rental charge and does not promote usage.	It may be worth moving to one of the app based card readers that will be easier to promote to residents and to operate for officers
F	<i>Petty cash payments were properly supported by receipts, all petty cash was approved and VAT appropriately accounted for</i>	
	The records of the council comply	with this test
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	Every new employee should be clearly minuted – start date, role, hours, pension entitlement – to allow	Members approve the pay grades in a confidential paper but a transparent updated staffing record

	verification of the cost of payroll.	should be published.
Payroll reports	The year to date payroll report only includes current employees, making verification of the total cost of wages tricky.	At least on a quarterly basis, it would be useful for the officers to check that the ledger and the payroll totals agreed.
<i>H</i>	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Asset register	The council now has multiple buildings and equipment, such that updating the spreadsheet falls behind during the year.	It may be worth purchasing the integrated fixed asset module for the accounting system to add control.
<i>I</i>	<i>Periodic Bank reconciliations were carried out during the year</i>	
Savings and deposit accounts	The council has substantial cash funds, some of which relate to long term funded projects.	It may be worth investing the long term funds for a period of years to gain returns and increase funds security.
<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>	
	The records of the council comply	with this test
<i>K</i>	<i>Certified Exempt in prior year</i>	
	Not applicable to this council	
<i>L</i>	<i>Transparency Code</i>	
	The records of the council comply	with this test
<i>M</i>	<i>Public Rights</i>	
Members' DPI forms	The borough council do not comply with their legal requirement to publish the DPI forms of Parish Council members (good practice example here)	The council needs to ensure that all DPI forms, including those of recently co opted members, are on the website.
<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.

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

Regards,



Eleanor S Greene