

# Do the Numbers Limited

27<sup>th</sup> April 2023

Melanie Stephens, Clerk  
Fair Oak and Horton Heath Parish Council

Dear Melanie,

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

Following my visits to the office today and earlier in the year, please find below the list of matters arising. The records and systems of the council are in very good 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 2023](#)

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.
Payment listing	The minutes on file do not include the pages of decided spending and bank balances. Agenda packs and websites are not the legal record.	The signed payment listing and bank reconciliation should be filed with the master minute set so that they are held in perpetuity.
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Audit reports	The interim internal audit report was not taken to council in a timely manner.	All audit reports should be presented to council without delay and then action plans minuted by members.
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>	
CIL funded reserves	The council holds significant reserves that are the result of CIL and S106 funding, and is likely to receive more over the coming years.	Some of the funding is earmarked for specific expenditure, but where possible, projects for the benefit of residents should be brought forward.
General reserve	The general reserve of the council is now at the lower end of guidance, but as more CIL funds are guaranteed, this relieves pressure on precept.	It may be beneficial to roughly monitor the general reserve against precepted expenditure to remove the impact of CIL and S106 funded projects.
Budget	The budget once approved should be signed into the minute book.	Only the paper minute book comprises the LGA72 legal record. It must include the key documents.
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
Allotment and cemetery income	It appears that these income streams are not being consistently billed through the sales ledger, limiting debt management	All bills should be raised through the sales ledger. Cashbook receipts should cease and be replaced by ledger receipts.
Hall hire	The Rialtas system is not designed	The RFO and Events officer should

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	for online hall hire bookings, but can be integrated with software that is.	review exactly what software links are needed and contact suppliers
<i>F</i>	<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
<i>G</i>	<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 verification of the cost of payroll. <i>(also raised last year)</i>	Members approve the pay grades in a confidential paper but a transparent updated staffing record should be published.
PAYE balance	HMRC notified the council of a historic balance, advantage of which was taken in the year.	The payroll and the ledger are out of balance for investigated and checked reasons.
<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.	The council should actively look into 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>	
Payment listings	The list of payments approved is not incorporated into the signed minute set, nor are any financial monitoring reports.	Only the signed paper minute set comprises the legal record. It should be kept in a manner to sustain reference years later
<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>	
DPI forms	Please ensure that all members of the new council fully fill out the forms.	Home addresses and employer names are a legal requirement.
<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

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