

Do the Numbers Limited

21st May 2024

Michaela Coward, Clerk
Baughurst Parish Council

Dear Michaela,

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

Following my visit today, please find below the list of matters arising. As is common in the first year that I work with a council the list is long, but most items should be simple to resolve.

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 |
|----------------------|--|---|
| <i>A</i> | <i>Appropriate accounting records have been properly kept throughout the year</i> | |
| Electronic payments | The council has started paying bills electronically. | Please ensure that the Financial Regulations are based on the latest model and the procedures match them. |
| Grants | The grant form published by the council cannot be completed offline making it non compliant with accessibility requirements. | Please ensure that all forms are available in standard PDF or Word format for completion offline by all types of group. |
| <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> | |
| Standard documents | The council appears to have amended the model Standing Orders and Financial regulations away from those checked by sector experts. | Please adopt the model documents only making the recommended alterations included in the appendices. This protects the council. |
| Minute authorisation | Prior to the arrival of the locum and current proper officer, not all minutes were correctly signed. | It is a legal requirement that every page is initialled and the last page signed and dated. |
| Committees | The council has two 'committees' neither of which are minuted by officers, both of which function as working groups and all decisions appear to be duplicated at full council. | All committees should be abolished. Task and finish groups can report back to council on such issues as the budget. This will aid transparency and speed up decision making. |
| <i>C</i> | <i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i> | |
| Policy documents | The council has several policies that are significantly out of date. | Best practice models should be adapted and adopted without delay. |
| <i>D</i> | <i>The precept budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i> | |
| General reserve | The council holds over 25 months in its general reserve. This is significantly in excess of the 12 month maximum in the PG. | Councils do not have the power to hold savings. The council should urgently bring forward projects to benefit taxpayers. |

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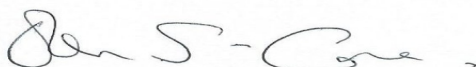
Director: Eleanor S Greene

| | | |
|---------------------|--|--|
| | | |
| 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 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> | |
| Pension scheme | Following the departure of the previous clerk, the council paid over £25000 – equivalent to 20 years of pension contributions – to exit the LGPS | It is unclear whether any sort of VFM assessment of this expenditure and what steps the council will take to ensure proper pension cover for future employees. |
| H | <i>Asset and investment registers were complete and accurate and properly maintained</i> | |
| | The records of the council comply | with this test |
| I | <i>Periodic Bank reconciliations were carried out during the year</i> | |
| Bank statements | There is no evidence that members of the council are seeing the third party bank statement and checking it back to the presented reconciliation. | Each member of the council in rotation should carry out this essential check each month. |
| Investment strategy | It is a requirement of the PG that all councils holding over £100,000 have a published investment strategy. | The council should adapt and adopt a best practice strategy such as this one . |
| 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 now | 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> | |
| | The records of the council comply | With this test |

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