

Do the Numbers Limited

37 Upper Brownhill Road
Southampton, SO16 5NG

1st December 2022

Maxine Owen, Locum Clerk
St Mary Bourne Parish Council
c/o Village Centre, Bourne Meadow
St Mary Bourne,
SP11 6BE

Dear Maxine,

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

Following my visits today and earlier in the year, please find below the list of matters arising. The report is as at 31st March, but takes into account the exceptional improvements you have achieved since September. I am highlighting the matters to address before the next year end.

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](#)

The council should have completed the AGAR by 30th June. It did not complete an AGAR in 2021, resulting in a Public Interest report ([see here](#)) which was not, as per the legislation, brought to the attention of the Members. There is no evidence that Public inspection rights legislation was adhered to in 2020, 2021 or 2022.

The 2022 AGAR should be approved at the next meeting and emailed to the external auditor with the bank reconciliation and variance analysis ([proformas here](#)) on December 14th. PKF will confirm Public rights dates upon receipt.

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
Purchase invoices	No supporting documents for any payments were found in either paper or electronic form.	The Locum clerk has succeeded in bringing the records of the council into compliance.
Bank payments	Bank statements should be addressed to the council office.	The locum clerk has recitified this.
B	<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	None of the standard documents appear to have been reviewed in the year and decisions have been made that do not accord with the current regulations.	Model standing Orders and Financial regulations were adopted in October 2022. A Risk Assessment should be adopted before next year end.
Council Minutes	There does not appear to be a full set of signed minutes that complies with the legislation.	The Locum clerk has succeeded in bringing the records of the council into compliance.
Committees	The council appears to have committees that met without the proper officer present and without legal agendas.	All committees should be subsumed back into the council until Governance is brought within the law.

Meeting agendas	There was no evidence that agendas were being properly issued three clear days in advance of meetings.	The Locum clerk has succeeded in bringing the records of the council into compliance.
Auditor reports	The clerk had caused the council to break the law by not bringing External Auditor reports and correspondence to meetings.	All reports and correspondence from internal and external auditors must be brought to full council for decision, in a timely manner.
VAT 126 claim	VAT has not been claimed for 2020/21 and 2021/22	The locum clerk should submit a return to December 2022 and again to March 2023.
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
Insurance renewal	There is no evidence that the council has appropriate and VFM insurance.	The Locum clerk has succeeded in bringing the records of the council into compliance.
D	<i>The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
Precept request	There was no evidence that the clerk brought the precept request to the full council for approval.	The budget setting process for the coming year should be fully compliant.
Budget	There is no evidence that the budget has been approved by the council.	The council should ensure that quarterly budget monitoring is clearly minuted from now on.
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
Income records	Income was lost during the year because claims for the Lengthsman scheme were not submitted.	The Locum clerk has succeeded in bringing the records of the council into compliance.
F	<i>Petty cash payments were properly supported by receipts, all petty cash was approved and VAT appropriately accounted for</i>	
Petty cash	The council held petty cash as at 31 st March 2020, there is no evidence as to what has happened to it since.	This amount should be written off and petty cash no longer used.
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>	
Payroll Reports	The payroll bureau reports were not held on file as at the year end date.	The Locum clerk has succeeded in bringing the records of the council into compliance.
HMRC payments	It appears that during the year a significant underpayment to HMRC was settled.	This has been resolved and will not recur.
H	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Fixed asset register	It is unclear when the council last reviewed the asset register and checked it against the insurance schedule.	The 2020 register should be rolled forward for 2023
I	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank statements	It is good practice for members of the council to check the bank statement against the ledger quarterly.	Now that the accounts are maintained on Scribe, reporting and referencing should be regularised.
Payment listing	Payment listings minuted during the year were unreliable.	The Locum clerk has succeeded in bringing the records of the council

		into compliance.
Bank reconciliations	There was no evidence that bank reconciliations were routinely carried out and checked.	The balances on each account should be minuted at every meeting from now on.
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>	
Accounting statements	No accounting records were prepared during the year. The locum clerk has prepared a set which meets the requirements.	The council should, with effect from 1 st April 2022, move the accounting system onto proprietary software such as Scribe which will allow proper control.
AGAR forms	The 2020 AGAR was never approved, a 2021 AGAR was never prepared, the 2022 AGAR was prepared after the legal deadline.	All opening and closing balances and AGAR figures have been identified by the locum clerk and validated as part of the 2022 review. This problem should not recur.
K	<i>Certified Exempt in prior year</i>	
Not applicable to this council		
L	<i>Transparency Code</i>	
Council website	The council is not covered by the transparency code, but to demonstrate VFM to electors, should be complied with.	The basic FOIA publication schedule should be complied with before my next visit.
M	<i>Public Rights</i>	
DPI forms	It appears that the updated DPI forms following the May election have not been uploaded to the Borough Website .	The clerk should urgently ensure that the updated forms are published and provide the link from the council website.
Agendas	It is unclear whether the clerk has been correctly publishing council agendas in accordance with the legislation.	The Locum clerk has succeeded in bringing the records of the council into compliance.
N	<i>Publication of prior year AGAR</i>	
AGAR publication	The council has completely failed in this test.	Figures for all three years will be approved as part of the 2022 AGAR minute. This problem should not recur.
O	<i>Trust funds</i>	
	The council is not a trustee of any	Charity
P	<i>Borrowing</i>	
Not applicable to this council		

Please find enclosed my bill for the 2022 review plus validation of 2021 figures.
If either you or your members have any queries, please do not hesitate to contact me.
Regards,



Eleanor S Greene

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Registered in England No. 7871759

Director: Eleanor S Greene