

Do the Numbers Limited
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20th June 2018

Kirsty Shaw, Clerk
Wootton St Lawrence Parish Council
19 Sandys Close
Basingstoke
RG22 6AR

Dear Kirsty,

Subject: Review of matters arising from Internal Audit for 31 March 2018

Please find below the list of matters arising following my review of the files last week. I found the records of the council to be in reasonable order and that the checks went well.

Control area	Issue	Recommended Action
Standard documents	The standard documents of the council (Fin Regs, Stand Ords, Risk ass, asset reg) do not appear to have been reviewed in the year by the council. This is both a requirement of the Transparency code and good practice, especially after a change of clerk.	The council should ensure that each of the documents is reviewed for compliance with current legislation every financial year.
Uncleared cheques	Cheques that were written before the year end should have been included in the 2017/18 cashbook and recorded as uncleared in the bank reconciliation.	Please ensure that the 2018/19 cashbook entries comply with best practice.
Website and Transparency Code	The council has since April been covered by the transparency code and by the end of 2016/17 needs to have a compliant website in place. The legal requirements of the Freedom of Information act also apply to the council.	The council is now exempt from External Audit, on the basis that it has complied with the Transparency code. A website should now be a priority for the council to prove good use of public money. <i>(also raised last two years)</i>
PAYE Scheme	Despite the low wage cost for the clerk the council is in law and employer and there should be a PAYE scheme in place as per HMRC page ESM4260 <i>(also raised last two years)</i>	The PAYE scheme / employment status of the clerk is being regularised. HMRC often need to be reminded (in writing) of their obligations to allow the council to comply with the law.

Reserves	The reserves held by the council are significantly higher than the guidance – nearly three years of precept	The council should urgently bring projects forward to use up the excess reserves. <i>(also raised last two years)</i>
Bank balances	The council holds its reserves in accounts that bear no interest.	Those reserves which have to be kept (3-6 months of revenue expenditure) should be moved to an interest bearing account
VAT reclaim	It does not appear that a VAT reclaim had been submitted as at the year end.	VAT 126 forms should be submitted every year, even if the amount is under £100
Minuted payments	When the payments are listed in the minutes, cheque numbers have not been stated. This limits checking of the bank balance.	The minute template should be updated from now on.
Manual Cashbook	The council maintains a manual cashbook and then records year end balances in a word processor file.	It would be better practice to switch to a spreadsheet that allows proper budget monitoring and accurate financial balances to be kept at all times
Staff changes	When the new clerk commenced in post, there was no clear minute of the terms of her employment (rate, hours, pension rights)	It is good practice to minute such every year, ideally at budget setting.

Please find enclosed 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