

Do the Numbers Limited

22nd May 2024

Karen Ross, Clerk
Sherfield on Loddon Parish Council

Dear Karen,

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

Following my visit today, 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 2024](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the year</i>	
	The records of the council comply	With this test
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Unbudgeted grant	The council set a grants budget of £2000 but gave over £15000 to the village hall without a virement.	The council must ensure that all grants made are fully budgeted or refused.
Unbudgeted capital expenditure	The council's budget did not allow for £27460 to be spent on new play equipment and no virements were made.	Unless the council has sufficient reserves, asset replacements must be deferred to the next budget cycle.
Quotes and tenders	There is no evidence in the minutes that a proper tendering process for the play area was carried out, in accordance with legislation and the Financial regulations.	All contracts over £25000 net should be properly advertised on contracts finder and the tender process properly minuted
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 now	comply with this test
D	<i>The precept budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
Budget monitoring	There is no evidence that members properly considered the budget before approving spending decisions during the year.	Whenever a decision to exceed a budget area is taken, a clear rationale should be minuted and specification of from where the shortfall will be taken
General reserve	The Practitioners guide states that the General reserve of a council should be no less than three months of revenue expenditure. SoLPC currently has no general reserve at all.	The council is not in a position to cover contingencies and unexpected events. Members must ensure that the next budget setting brings the council back into a position to provide services to residents.
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
CIL and S106 funds	The council is expecting significant tranches of developer contributions	At budget setting, a clear plan to replenish reserves and provide day

eleanorgreene@thedunnefamily.co.uk

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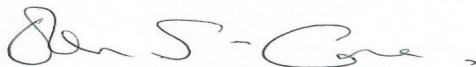
Director: Eleanor S Greene

	but these may not be used to supplement revenue expenditure.	to day services should be set.
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>	
	The records of the council now	comply with this test
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 deposit account	The remaining funds of the council are held in the current account.	It may be opening an interest bearing account such as CCLA PSDF to hold non day to day funds.
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