

Do the Numbers Limited

37 Upper Brownhill Road
Southampton, SO16 5NG

25th April 2022

Phil Biles, Clerk
Throop and Holdenhurst Village Council
22 The Grove
Moordown
Bournemouth BH9 2TR

Dear Phil,

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

Following my visit today, please find below the list of matters arising. For a very new council, Throop have started off on a sound footing which bodes well.

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](#)

| Test | Matter arising | Recommended Action |
|---|--|--|
| A | <i>Appropriate accounting records have been properly kept throughout the financial 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> | |
| Minute authorisation | It is a requirement of LGA 1972 that every page of the minutes is initialled and the last page signed and dated by the chair. | Please ensure that all minutes are correctly authorised in advance of approval of the AGR. |
| VAT 126 claim | The council has not yet submitted a VAT reclaim. | These should be done annually as a minimum. |
| GPC projects | On inception, the council invoked the General power of competence. The letter of the legislation says that projects commenced can continue. | The War Memorial project should take advice from relevant body (see here) and ensure that all fundraising and expenditure is clearly recorded. |
| C | <i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i> | |
| Risk assessment | The financial risk assessment of the council was not approved during the year due to entirely new operations. | The document is due to be approved at the May meeting and should then be reviewed annually. |
| D | <i>The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i> | |
| Budget approval | It would appear that budget discussions were not held in an open Council meeting. | The budget is a public document once approved and should be agreed publicly. |
| 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> | |
| Staff changes | When the clerk was employed, there was no clear minute specifying rate, hours and terms. | It is good practice to ensure that the total employee cost is minuted each year. |
| Home office allowance | It is unclear whether the clerks contract includes the £6 per week HMRC allowance . | This can be implemented by the payroll bureau if not already in place. |
| SLCC membership | It may be beneficial for the Clerk to have access to the advice services of the SLCC | The details are here and the local branch can be contacted through them. |
| 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 reconciliation | It is good practice for members of the council in rotation to check the bank reconciliation back to the third party statement. | From the new municipal year, this should be done. |
| 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> | |
| Audit exemption | Although a small council, audit exemption is not permitted in the first three years of an authority's existence. | The council should ensure that it fills out Form 3 and budgets for the External Auditor fee. |
| L | <i>Transparency Code</i> | |
| | The records of the council comply | with this test |
| M | <i>Public Rights</i> | |
| Members' DPI forms | It is good practice to mark 'none' rather than leave DPI forms blank. | At the May meeting, all members should check that their forms are complete and up to date. |
| N | <i>Publication of prior year AGAR</i> | |
| | Not applicable to this council | |
| O | <i>Trust funds</i> | |
| | Not applicable to this council | |
| P | <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