

Do the Numbers Limited

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30th June 2015

Christina Veasey, Clerk
Ellisfield Parish Council
Bishops Cottage, Dummer Down Lane
Dummer,
Basingstoke, Hants RG25 2AW

Dear Christina,

Subject: Review of matters arising from Internal Audit for 31 March 2015

Please find below the list of matters arising following my visit yesterday. Overall I found the records of the council to be in reasonable order and that the visit went well. The list below is long, but most of the matters are procedural and should be able to be dealt with over the coming months.

Control area	Issue	Recommended Action
Accounts spreadsheet	The spreadsheet used during the year, and which produced the figures approved by the council at the May meeting, is very over complicated, to the extent that the figures it produced agreed with neither the brought forward or closing bank balances – although the actual cashbook during the year appears to have been correct.	As part of the audit, the spreadsheet was streamlined and checked so that the audited figures for the final return agree to the third party documents. A fresh spreadsheet should be set up each year.
Payroll	The clerk is submitting a time sheet to the council rather than a copy of the RTI payment summary in support of wages claims. The RTI system is geared to monthly reporting so the clerk should be paid monthly.	The RTI printout will clarify the amounts due to the clerk and to HMRC in each period. These should support each payment made.
Employment of clerk	When the clerk was engaged, the council did not clearly minute their commencement date, agreed rate of pay and agreed hours. The clerk does not have a contract of employment that confirms the exact terms of her employment.	The council should minute on an annual basis the employment terms for all staff. An appropriate contract should be issued to the clerk without delay.
Standard documents	It is a requirement that the council carries out a Financial Risk Assessment and reviews it each year, along with a review of the Financial Regulations and Standing Orders.	These documents should be reviewed and approved at the September meeting and uploaded with the minutes.
Accounting Basis	Ellisfield PC is required to produce its accounts on an R&P basis – without any accruals or prepayments.	Please ensure that the reserves figure agrees to the cashbook on a regular basis.

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Director: Eleanor S Greene

Payment approval	When payments are included in the minutes, it is good practice to include the cheque number.	The minute template should be updated.
Bank balances	It is good practice for the bank balance to be minuted at each meeting and for the members to take turns to check the cashbook back to the bank statements.	This should include both the current and deposit accounts.
Asset register	The asset register values have in the past been shown at insurance value rather than historic cost. The asset register also does not include purchase dates for most items.	The values of assets should be frozen at their current values and approximate dates for all assets added before the register is uploaded to the website.
Budget	The budget of the council is more complicated than transparency would dictate. Consolidating headings will reduce the need for virements.	At the next budget setting the shortened budget should be included as a page of the signed minutes.
Member training	It does not appear that any of the members of the council have attended sessions on the changing legislative framework under which they operate.	Even before budget setting, members should attend, and be reimbursed for costs associated with, appropriate training.
Reserves	The reserves of the council are significantly higher than best practice. Parish Councils do not have the power to hold savings. The reserves of the council should be no more than £7000 (9 month of revenue spending)	Projects that will benefit all of the residents of the parish should be brought forward to bring the reserves to a more appropriate level.
Pension Auto-enrollment	The Pension staging date of the council is 1 st May 2017. The council must ensure that it has a scheme in place by that date, even though it will never have a contributing member.	Appropriate advice should be sought in a timely manner before the staging date.

Please find enclosed my invoice for the agreed fee of £155, there will be no charge from BDO. If either you or your councillors have any queries, please do not hesitate to contact me.

Regards



Eleanor S Greene