

Do the Numbers Limited

9th November 2023

Brie Logan, Clerk
Shaftesbury Town Council,
Town Hall,
Shaftesbury, Dorset SP7 8LY

Dear Brie,

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

Following my visit to the office today, please find below the list of matters arising. This was an interim visit so not all areas of testing were covered.

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 2023](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
	Not covered at this visit	
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Working party membership	Working parties are used extensively by STC, but the membership and TOR of each do not appear to have been minuted in the year.	It would aid transparency for the membership of each WP to be minuted annually and its TOR timescale of reporting minuted at least once a year
Minuted reports	The signed minute set of the council does not include the reports and decision papers referred to in the minutes. Thus the minutes do not stand alone as a long term record of the council's decisions and activities.	The paper record should be able to stand alone – without the website – in 20+ years time. Please ensure that the permanent record is complete and clear.
Contract approval	Whenever contracts or tenders are approved, the name and value of the winning contract should be clearly minuted.	The model financial regulations are currently under review, but clear minuting will remain a key requirement.
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
	Not covered at this visit	
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	The budget report used is based on a CSV extract from the accounting system so that comments can be included.	The software provider should be requested to produce a report that better meets the needs of councils like STC
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
Leases and tenancies	The council has agreements with several sports clubs and multiple other tenants in the town. The terms	It appears that all tenancies and leases are in good order and meet best practice, but annual monitoring

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Director: Eleanor S Greene

	of each were checked as part of the audit.	by officers should be maintained.
VAT on income	The council has several income streams. All income related to the town hall should be carefully checked, due to the current repairs.	Hall hire and shop rental, as well as ancillary wedding services likely fall within VAT. At the next visit a full review will be undertaken.
F	<i>Petty cash payments were properly supported by receipts, all petty cash was approved and VAT appropriately accounted for</i>	
	Not covered at this visit	
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 report	The report provided by the new bureau to the council does not include year to date figures or leavers. This makes comparing the record to the nominal ledger impossible.	The bureau should be requested to provide complete year to date figures to the council each month to enable proper implementation of internal controls.
Staff changes	All changes in staff – leavers and starters – should be clearly minuted in a timely manner, showing name, hours, pay scale and pension status.	It is a key aspect of accountability that members and electors know who is employed by the council.
H	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
	Not covered at this visit	
I	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank reconciliation	When payments are approved, the summary of bank account balances should also form part of the minutes.	Transparency over funds held by the council is a key internal control.
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>	
Members DPI forms	The list at Dorset council appears to have some names more than once.	A review of the published forms should be carried out.
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 interim fee. If either you or your members have any queries, please do not hesitate to contact me.

Regards,

 Eleanor S Greene

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