

Do the Numbers Limited
37 Upper Brownhill Road
Southampton, SO16 5NG
17th January 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 2023

Following my visits today and last year, please find below the list of matters arising. I found the systems and records of the council to be in very good order.

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>	
Payment listing	The list of payments is not incorporated into the minutes.	The signed payment listings should be filed with the master minutes set.
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Voting tallies	The council records the vote of every decision, even where no request has been made at the start of the meeting.	It may simplify the minutes and processes if those decisions that are unanimous are recorded as 'nem con'
Contract values	When a significant item of expenditure is approved, the name of the winner and cost to the council has not always been minuted.	The minutes are the master record and need to stand alone even if the website were unavailable.
Preferred contractors	The council is moving to a list of regular suppliers for some items.	Great care should be taken to ensure that the list is reviewed annually and all large items still go out to tender.
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
Published policies	Not all of the policies on the website are the most recently approved version. It is hard to track which policies have been reviewed on which dates.	The web published set should be reviewed and the listing updated to include reviewed and review by dates.
D	<i>The precept budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
General reserve	The council has multiple projects coming to life in a time of rising costs.	Members and officers need to closely monitor general contingency reserves at all times.
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	

Sales ledger	All debtors are largely within terms	
F	<i>Petty cash payments were properly supported by receipts, all petty cash was approved and VAT appropriately accounted for</i>	
Petty cash tin	Now that officers have debit cards, the tin balance has not changed for over a year <i>(also raised last year)</i>	This amount should be banked and the risk area removed.
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>	
New staff	When new staff are engaged, their name, hours and terms should be recorded to allow monitoring of payroll costs.	It is good practice to clearly minute all leavers and starters including their working hours to allow validation of payroll costs.
H	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Asset valuations	The council had its regalia and art items checked for insurance purposes and this report is on the web.	Such reports need not and should not be made public as this increases insurance risk.
Toby's Loan	This historic balance is in the asset register but is unlikely to be recoverable.	For clarity, the council may wish to write off the amount.
I	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank balances	It is good practice to include the summary of bank balances in the permanent minute record.	The page should be incorporated into the signed minute set.
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>	
	Not tested at this visit	
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 comply	with this test.
N	<i>Publication of prior year AGAR</i>	
AGAR publication	It is an FOIA requirement, and good Transparency Code practice that three years of full AGAR forms are on the website.	Now that all external audits are up to date, they should be published.
O	<i>Trust funds</i>	
	Not applicable to this council	
P	<i>Borrowing</i>	
	The records of the council comply	with this test.

I will return to the council in April to complete the review. If either you or your members have any queries, please do not hesitate to contact me.

Regards,



Eleanor S Greene