Do the Numbers Limited

30th May 2023

Sue Thurston, Clerk
Hyde Parish Council

Dear Sue,

Subject: Review of matters arising from Internal Audit for 31 March 2023

Following my visit with you 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 2023]

Test	**Matter arising**	**Recommended Action**
A	*Appropriate accounting records have been properly kept throughout the financial year*	
Cheque approvals	The cheque numbers to track payments back to the statement are not included in the minutes.	While the council are still using cheques, checque numbers should be minuted.
Electronic payments	The council has adopted the NALC model financial regulations that allow electronic payments.	Clear internal controls over payments and reporting should allow the council to switch to electronic without delay.
Grants	The council appears to have donated funds to the same organisations each year without proof of need or existence. Councils do not have the power to make donations.	The council should introduce a clear grant policy and form ([such as this]) and make grants available to all community groups that can prove both benefit and need.
B	*This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for*	
	The records of the council	comply with this test
C	*This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these*	
	The records of the council	comply with this test
D	*The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate*	
Precept approval	When the budget and precept were approved, the amount was not minuted.	The budget should form part of the signed minutes and the precepted amount clearly minuted.
E	*Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for*	
	The records of the council	comply with this test
F	*Petty cash payments were properly supported by receipts, all petty cash was approved and VAT appropriately accounted for*	
Not applicable to this council		
G	*Salaries to employees and allowances to members we paid in accordance wit this authority's approvals, and PAYE and NI requirements were properly applied*	
	The records of the council	comply with this test

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H	*Asset and investment registers were complete and accurate and properly maintained*	
	The records of the council now	comply with this test
I	*Periodic Bank reconciliations were carried out during the year*	
Deposit accounts	It is unclear why the council holds three bank accounts.	Rationalising all funds into the current account should be considered.
J	*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.*	
	The records of the council comply	with this test
K	*Certified Exempt in prior year*	
	The records of the council comply	with this test
L	*Transparency Code*	
	The records of the council comply	with this test
M	*Public Rights*	
	The records of the council comply	with this test
N	*Publication of prior year AGAR*	
	The records of the council comply	with this test
O	*Trust funds*	
	Not applicable to this council	
P	*Borrowing*	
	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,

[redacted]

Eleanor S Greene