

Do the Numbers Limited

8th May 2025

Ailsa Duckworth, Town Clerk
Droxford Parish Council

Dear Ailsa,

Subject: Review of matters arising from Internal Audit for 31 March 2025

Following my visit with you today, please find below the list of matters arising.

As is always the case in the first year I work with a council the list is quite long, but none of the matters are serious.

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 2025](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
Payment listings	The list of payments being approved has not been included in the signed minutes.	This should be done at every meeting.
Grants	The council has considered giving a grant to a school. This is not permitted.	Please ensure that the grant policy and form specify the rules and that all grants are in accordance with the law.
Accounting system	The council records are currently on a spreadsheet which is too large to allow efficient control.	The council should actively consider sector specific software such as Scribe or Parish Accounts . This would pay for itself in time saved
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Standard documents	Financial regulations, Standing orders, and risk assessment were not reviewed and updated in the year.	It is an AGAR requirement that these forms are checked each year.
Public at meetings.	Members of the public have been named in the minutes, contrary to the GDPR right to be forgotten.	Please ensure that only those present in an official capacity are named.
Minute approval	It is a legal requirement that every page of the minutes is initialled by the chair and the last page signed and dated.	Please ensure that all minutes are properly authorised in advance of approval of the AGAR.
Working parties	Working parties cannot make financial decisions. They cannot authorise spending, they cannot sign contract.	Please ensure that all spending decisions are made at properly convened meetings with clear agenda items and values from now on.
Audit reports	It is unclear whether the former internal auditor issued a report.	Please ensure that this report is clearly minuted and an action plan

		agreed.
VAT 126 forms	The council does not appear to have reclaimed VAT during the year.	Using software from April 2025 will simplify this process.
Large contracts	The play area project cost over £30,000. It should have been properly advertised on contract finder and a full minuted quotation process carried out.	The council has followed neither its financial regulations nor the law on this project. Please ensure that all procurement is legal from now on.
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
Play area inspection	WCC have requested a DDA assessment of the play area.	The DDA is no longer the law. A change in play inspector may be considered.
Policies	The council does not appear to have reviewed or updated the FOIA required policies on the website.	One or two policies should be updated at each meeting and review dates added to the web published copies.
D	<i>The precept budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
Budget	The approved budget was not included in the minutes nor is it published on the website.	This should be done from now on and completed in advance of AGAR approval
Budget monitoring	The spreadsheet layout makes quarterly budget monitoring difficult.	Bringing software into use from April 2025 will resolve this.
Reserves	Some of the reserves noted by the council are not in accordance with the requirements of the PG.	Please ensure that every reserve is for a tangible project, has a completion date, location and planned total value before it drops to zero.
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>	
Pension provision	The clerks wages have risen above the auto enrollment limit.	The council should consider options such as NEST or LGPS for the proper officer.
H	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Fixed asset register	The council does not appear to have reviewed the register in the year, particularly to include the new play area and gates.	A thorough review of the whole register should be done over the summer.
I	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank statement	There is no evidence that members are checking the bank reconciliation back to the statement.	Each member in rotation should complete this test.
Bank	It is good practice to clearly minute	Once software is in use, these

reconciliation	the balance in each of the bank statements each month.	reports are easy to generate.
Savings accounts	The council has two savings accounts when one would simplify control	Considering merging the two accounts could happen over the summer.
<i>J</i>	<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
<i>K</i>	<i>Certified Exempt in prior year</i>	
	Not applicable to this Council	
<i>L</i>	<i>Transparency Code</i>	
Email accounts	From 1 st April 2025 it is a requirement that all email accounts are linked to the domain name of the council.	Please get POP accounts set up for the clerk and members and cease using gmail accounts.
<i>M</i>	<i>Public Rights</i>	
Public rights dates	When the AGAR is approved it is good practice to minute the dates of public rights.	Please ensure that this is done from 2025
<i>N</i>	<i>Publication of prior year AGAR</i>	
	The records of the Council comply	with this test
<i>O</i>	<i>Trust funds</i>	
	Not applicable to this Council	
<i>P</i>	<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