

Do the Numbers Limited

Southampton

10th February 2019

Marcia Phillibert, Clerk
New Alresford Town Council
The Avenue, Alresford
Hants
SO24 9EP

Dear Marcia,

Subject: Matters arising from interim Internal Audit year ended 31 March 2019

Please find below the list of matters arising following my visits to the office last week and last year. The list is still long but none of the issues is major. The council still has areas of weakness, but progress is being made.

Control area	Issue	Recommended Action
Members Interests	Some members of the council have not included their home address on their forms.	All members should check that their information is complete and up to date on an annual basis.
General and earmarked Reserves	The appropriate level of general reserves is calculated in relation to revenue expenditure. Due to the closure of the ARC bar and staff vacancies, expenditure has varied far more than planned.	In light of the backlog of work and the changes in staffing, the level of general reserves will need to stay at the upper level (around 6 months of expenditure) for the next couple of years.
PWLB loans	The council has six PWLB loans which cannot be repaid early (as per standard DMO rules)	Under Parish reporting requirements, that liability is not included in the balance sheet, but should be borne in mind when assessing reserves.
Budget variances	Budgets are set up to eighteen months before the transactions against which they are compared and the expenditure of the council has been unstable.	Members should assure themselves that all budget variances can be explained and then aim to have the budget and the actual track each other better in future.
Member and officer training	NATC has not been in the habit in past years of taking up training opportunities for officers and members. <i>(also raised last year)</i>	It will assist the smooth running of the council if training on legislative changes and new regulations is routinely attended by members.
Wages	It is good practice to minute (confidentially) each year the total cost of wages by postholder, pay grade, pension cost etc.	This should be done as part of the budget setting and forward planning. <i>(also raised last two years)</i>
Officers at meetings	As evidence that all Council meetings are properly called and staffed by officers, the minutes should name those present.	The minute template for all meetings should be amended to include officer names.

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Director: Eleanor S Greene

Agenda Packs	Under the Transparency code and FOI regulations, the full budget pack should be uploaded to the website in advance of meeting. The minutes should include all approved papers.	Please ensure that from now on all agenda packs are uploaded, and try to upload the sets from the start of the current year during the coming weeks. NB Bank statements should never be published on the web.
Trade debtors	There are significant numbers of unpaid bills from the summer of 2018 on the ledger.	Each debtor should be asked to either pay, or provide details of the date of clearance of the payment to resolve these debts.
Cheques received	It would appear that no cheques were banked between July and October 2018. This does not match the previous pattern of the council.	Officers should check with the locum staff whether cheques were received, and all debtors should be encouraged to pay by electronic means to reduce this risk.
Financial reporting to council	The reports included in the agenda pack are not the ones that include the comparatives and clear summaries of the position of the council.	Officers should use the "statutory" balance sheet and I&E reports to give a clearer view to members and stakeholders.
Employee changes	It appears that staff have left and been recruited during the year without a clear record of starting and leaving dates. This increases wage control risk.	Whenever a member of staff resigns, their leaving date should be recorded. New starter role, hours, terms and rate of pay should be clearly minuted.
Petty cash / minor purchases	Officers are having to use petty cash or their own cards for minor items where an office debit card would be more efficient.	The council should get a debit or credit card, linked to the current account, for minor purchases.
Charity 301895	It appears that the Stratton Bate's recreation ground is in fact owned by a charity of which the council is the trustee. Charity Commission returns are not up to date.	All costs and income from the Charity land have been handled by the council. For this to continue properly, an MOU should be put in place. Nil returns to the Charity Commission should be kept up to date.
Transparency Code	The Council still has some way to go on complying with the transparency code – a result of staff shortages since the code was brought in.	Over the coming months, officers should seek to ensure that agenda packs include the bulk of the information required and remaining items are uploaded.

I will return to the office at the end of may to complete my review. If either you or your councillors have any queries, please do not hesitate to contact me.

Regards



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