

# Do the Numbers Limited

37 Upper Brownhill Road

Southampton, SO16 5NG

023 8077 2341

1<sup>st</sup> December 2016

Brendan Gibbs, Clerk  
Hamble Le Rice Parish Council  
Memorial Hall, 2 High Street  
Hamble-le-Rice  
Southampton, SO31 4JE

Dear Brendan,

## **Subject: Review of matters arising from interim Internal Audit for 31 March 2017**

Please find below the list of matters arising following my visit this week. Listed below are some of the matters identified which should be addressed before the year end.

<b>Control area</b>	<b>Issue</b>	<b>Recommended Action</b>
Payment Authorisation	It is a requirement of LGA 1972 that the list of payments is included in the signed pages of the minutes. That has not been done recently.	The payment list that matches the minutes should be included each month.
Bank balances	It is good practice to minute the total balance at the bank every month – all four accounts.	The minute template should be updated.
Bank reconciliation	It is good practice for a different member of the council to initial that the reported bank balance agreed back to the statement in the file on a monthly basis. There is no need for the bank statement to be included in the minutes file.	The bank statement file should be taken to meetings for members to check.
Annual Return	The 2015/16 return was not approved by 30 <sup>th</sup> June in accordance with the legislation, resulting in a qualified audit.	The Annual Return should be approved as soon as the Internal Audit is complete in May or early June.
Risk Assessment	The risk assessment was not reviewed in 2015/16 leading to a qualified external audit.	A risk assessment based on the proforma supplied to the Clerk in September should be adopted without delay.
Internal Audit Report	Internal Audit reports were noted but no action plans were minuted.	The council should at least twice a year review the progress on Audit reports.
Standard documents	From March 2017 the council will be covered by the transparency code. This includes uploading the Financial Regulations and standing orders as well as Asset Register and Risk Assessment.	Best practice dictates that all four documents should be reviewed annually and especially after any staff changes.

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Working Parties	It is not clear how membership of Working parties is organised such that all members serve on equal numbers of parties and no member is on any individual working party for more than a year.	Working Parties should be treated as "task and finish groups" with membership changing totally after 6 months or a year to allow fresh viewpoints on issues.
Electronic payments	The council has the facilities and skills to switch to paying suppliers electronically. The time and resources saved will allow officers to concentrate on other issues.	The council should, without delay, switch to electronic payment as per published best practice.
Fixed Asset Register	The fixed asset register includes significant numbers of assets that it is unlikely are still in the ownership of the council (computers and benches) and new assets do not appear to be being added as they are purchased.	The asset register is a live working document that should be checked regularly by officers and members.
Payroll cost	It is good practice, at budget setting time, to confidentially minute the name, pay rate, pension entitlement and total employment cost of each employee.	A proforma document was provided to the clerk at the budget setting course.
Grant making process	During 2014/15 and 2015/16 the council granted £70,000 to the Lifeboat to fund new public toilets on the foreshore. This grant has still not been complied with.	The council has reviewed the failings of this grant process in detail. All future grants should be properly monitored.
Building completion certificate.	The certificate which will allow the landowner (Parish Council) and the building owner (Lifeboat Charity) to comply with insurance has been sent to the Planning Authority but not been seen by either of the above.	In the absence of the certificate, written assurance should be sought from EBC that the certificate was properly presented to them.
Toilets lease	It is apparent that the Lifeboat Charity wish to get the lease signed so that their volunteers can fully occupy their part of the building.	Until the terms of the grant have been fully complied with, this should be resisted.
Costs relating to Toilets project	As a result of the very poor management of the Lifeboat project, the Council has incurred significant unbudgeted expenditure on toilets, legal fees and maintenance.  Any funds raised by the Charity should be used to reimburse the taxpayer in the first instance.	All of this amount should be clearly, transparently and publicly quantified and its reimbursement be a precursor to the signing of the lease.

Please find enclosed my invoice for the interim fee of £275. If either you or your councillors have any queries, please do not hesitate to contact me.

Regards



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