

Do the Numbers Limited

20th May 2025

Heather Bourner, Clerk
Broughton Parish Council

Dear Heather,

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

Following my visit today, please find below the list of matters arising. I found the systems and records to be in 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 2025](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been properly kept throughout the financial year</i>	
Grant application	The council appears to have issued grants in the year without the recipient completing an application showing need and proving validity.	The council should adopt and adapt a good practice form such as this and spending power for all grants minuted in future.
Accounting basis	For 2024/25 and 2025/26 the Council will go over the £200k R&P limit but is then likely to drop back below it even with the Muga and the outdoor gym.	If the activity level of the council remains over £200,000 the accounting basis will need to be changed.
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for</i>	
Pavilion Project	The main project is underway. Any add on contracts, such as for electrics or fitting out, that will go over the £30,000 limit must be correctly tendered on Contract Finder.	Please ensure that the running costs and projected completion costs of the project are publicly minuted so that contract tendering legislation can be correctly complied with.
MUGA and outdoor gym projects	These projects must be properly carried out in accordance with the legislation. Tenders must come to the proper officer, not a councillor. <i>(also raised last year)</i>	Following appropriate advertising on Contract finder , tenders must be scored and the winner minuted both value and name before any works commence.
Capital purchases	Whenever any item of capital expenditure is under taken, even if the asset will be s106 funded, the approved value must be minuted.	Each set of minutes should allow checking of subsequent invoices received.
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
Burial policies	The council has updated the burials policy twice in the year.	It may be worth joining the ICCM to access their model policies
D	<i>The precept budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	

eleanorgreene@dothenumbers.uk

Registered in England No. 7871759

Director: Eleanor S Greene

General and Earmarked reserves	The reserves of the council are distorted by the Pavilion project and CIL receipts. All projects must be quantified to ensure that they are properly budgeted.	A council the size of Broughton should hold a general reserve of around 6 months of revenue expenditure. EMRs must comply with the Practitioners Guide.
<i>E</i>	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
Allotment income	The allotment tenancies and fees were updated in the year.	It may be worth joining the NAS to access their model policies.
<i>F</i>	<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	
<i>G</i>	<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>	
	The records of the council comply	with this test
<i>H</i>	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Purchase values	When assets are agreed to be purchased, the value must be minuted.	This is an essential check on the register values.
<i>I</i>	<i>Periodic Bank reconciliations were carried out during the year</i>	
Savings accounts	The council holds the vast majority of its funds in a current account bearing no interest. This increases risk and reduces returns. <i>(also raised last year)</i>	The council should look to move funds out of the day to day account and get interest from sector specific accounts such as CCLA PSDF
Investment strategy	It is not a requirement that all councils holding over £100k have a published investment strategy.	The council should adapt and adopt a best practice example such as this
<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>	
Accounting basis	The council prepares its accounts on an R&P basis, but needs to take great care over project accounting in the next few years <i>(also raised last year)</i>	Depending on the income level at the rebuilt pavilion it may be necessary to move to I&E accounting, supported by sector specific software.
<i>K</i>	<i>Certified Exempt in prior year</i>	
	Not applicable to this Council	
<i>L</i>	<i>Transparency Code</i>	
Email accounts	It is now a requirement of proper practices that all councillors must have and use emails linked to the council's domain name.	This change is not optional. Members should switch to using compliant email addresses without delay.
<i>M</i>	<i>Public Rights</i>	
DPI forms	Please ensure that all DPI forms are fully completed. Where none, write none.	In advance of approval of the AGAR, please ensure that all DPIs are up to date and published by TVBC
<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>	

Recreation ground charity	When the pavilion comes back into use, proper segregation between the Charity and the Council should be ensured.	As VAT has been reclaimed on the build, great care must be taken to ensure compliance with the requirements.
<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