

Bridget.C.Bowen FCA
86 High Street
Weston
Bath BA1 4DD

Tel: 07465 416597

Email: bridget.c.bowen@outlook.com

Craig Bolt
Clerk to Bleadon Parish Council
Coronation Halls,
Coronation Rd,
Bleadon BS24 0PG

9 January 2024

Dear Craig

BLEADON PARISH COUNCIL

Internal audit report - Year ended 31 March 2024

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2023-24 Annual Governance and Accounts Return.

I have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council on 14 August 2023.

My first internal audit review for 2023-24 was undertaken on 9 January 2024.

Background

Bleadon Parish Council has income and expenditure of between £100,000 and £200,000 for 2023-24 and is subject to review by the external auditor, BDO LLP. PKF Littlejohn issued their auditor's reports for the 2021, 2022 and 2023 audit reviews in 2023. These included their conclusions on the formal objections to the accounts.

The Council is the sole managing trustee of Bleadon Children's Playground.

The Council changed its accounting software from RBS Alpha to Scribe from 1 April 2023.

The Clerk was appointed on 15 August 2023 replacing the locum clerk who had been in place since February 2023.

Internal audit checks

I have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out during the review.

During this visit I checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Income
- Expenditure
- VAT claims
- Payroll
- Insurance
- Budgets and reserves
- Sole managing trustee
- Transparency
- Public Rights
- Action taken on the recommendations in prior report

Findings

Details of good practice noted, my recommendations and other matters to be brought to the Council's attention are set out below.

Good practice

- The Clerk is studying for the CiLCA qualification
- The Council maintains its books and records on Scribe software
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Bank reconciliations are prepared accurately and regularly

Good practice - continued

- Bank reconciliations are carried out promptly each month, and are checked by a councillor
- Details of all payments authorised at meetings are recorded in the minutes
- All payment vouchers tested were evidenced as approved
- HMRC Toolkit is going to be used for the payroll
- All eligible employees have either been auto-enrolled in a pension scheme or have opted out in writing
- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- Adequate insurance is in place
- Action has been taken, or is underway on all of the recommendations in the last internal audit report

Recommendations

Policies and procedures

- The Standing Orders and Financial Regulations should be updated for the increases to the thresholds over which contracts must be competitively purchased, in line with the recent amendments to the Public Contracts Regulations 2015.

SI 2021 No 1221 - The Public Procurement (Agreement of Government Procurement) (Thresholds) (Amendment) Regulations 2021 came into force on 1 January 2022 and increases the threshold in sub paragraph a) for public works contracts from £4,733,252 to £5,336,937), and the threshold in sub-paragraph c) for goods and services from £189,330 to £213,477.

SI 2022 No 1390 - Amendments to the Public Contract Regulations 2015 came into force on 21 December 2022 and increases the threshold over which contracts must be competitively purchased from £25,000 to £30,000.

The Council should be aware that the NALC Model Financial Regulations have not been updated for these changes, and therefore the clerk would not have been aware of them.

Risk assessment and insurance

- The Council should review, update and adopt the risk assessment before 31 March 2024

Sole managing trustee

- The accounts and annual return for the year ended 31 March 2023 should be filed with the Charity Commission by 31 January 2024

Transparency

- The 2019-20 external auditors report should be put on the Council's website.

Other matters to be brought to the Council's attention

- The link to one of the Councillor's Register of Interests was not working on the day of my visit.

Conclusion

Based on the tests I have carried out, the internal control procedures in operation are adequate to meet the needs of Bleadon Parish Council.

Next visit

The next internal audit review has been arranged for 9 April 2024

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Income
- Expenditure
- VAT claims
- Payroll
- Risk assessment
- Asset register
- Action taken on the recommendations in this report
- Year end checks

Next Steps

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely



Bridget Bowen FCA

Internal auditor

INTERNAL AUDITOR'S ANNUAL REPORT

Year ended 31 March 2023

Bleadon Parish Council

Objective	Explanation
A	Bills for payment schedules were inaccurate until February 2023 and did not correspond with payments made. Payments were made before being approved by the Parish Council. Spend was agreed at meetings without an appropriate agenda item. Invoices were not sent out or were incorrect. Debts to Council were not consistently followed up. Several payments were made twice, credit balances were paid by mistake. Earmarked reserves remained not understood or incorrectly allocated until March 2023.
B	Until March 2023, bank reconciliations, whilst produced, were not presented to Council quarterly as stated in the Councils Financial Regulations. Bank Reconciliations produced were incorrect.
C	Whilst there was an adopted financial risk assessment during 2022/23 it wasn't reviewed between May 2021 and March 2023. There were elements of the risk assessment which were not followed throughout the year. The Council reviewed and adopted the risk assessment in March 2023.
D	The Council did not monitor actual income and expenditure against budget throughout the year. Earmarked reserves remained not understood or incorrectly allocated until March 2023.
E	Advertising and allotment income that was due to the Council was not properly invoiced and debts owed were not followed up.
F	No petty cash held
H	The fixed asset register included assets that it transpired do not belong to the Council, but are held by the Council as custodian trustee. Public convenience buildings were included at valuation, when the Council had in fact been donated the building by District Council. Other assets that could not be located were included on the asset register, and assets that were in use had not been included on the register. The register has now been reviewed and updated and corrected for the above errors.
I	Until March 2023, bank reconciliations, whilst produced, were not presented to Council quarterly as stated in the Councils Financial Regulations. Bank Reconciliations produced were incorrect.
K	The authority did not certify itself as exempt from limited assurance review in 2021/22
M	The notice was published for the period of elector rights to be between the 13th of June and the 22nd of July 2022. Inadequate arrangements were made for an elector to exercise their rights. After a complaint to the External auditor was upheld, the exercise of public rights was readvertised (26th July – 5th August). Whilst another opportunity was given to view the accounts the arrangements made for the elector to inspect documents were again inadequate.

- No separate trustee meetings have been held since February 2022. The trustee expenditure was not kept separate, and the play equipment funding was sourced and added without permission from the Trust. The Coronation Hall, where the Parish Council is Custodian Trustee, was included on the Asset Register. These matters have all been corrected. The 2022 Annual Return was filed 6 days late. There is a Trustee meeting scheduled for June 2023.

Bridget.C.Bowen FCA
Internal auditor

09-Jun-23