

Bradwell Parish Council – Internal Audit for year ended 31st March 2014 And the Statement of Financial Activities – Report

I visited the Clerk and Responsible Financial Officer by appointment at her home on 1st and 9th May. I have examined all the financial records and draft accounts.

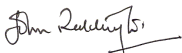
All expenditure paid and revenue received is properly authorized and justified. The bank accounts have been checked and reconciled; these and the Financial Statements accurately reflect the proper activities of the Council and realistically reflect its situation. There is nothing to suggest that fraud has occurred or is even likely to occur. During the year under review, the Council once again changed its Clerk. As a result some of the filing and posting of transactions was at times haphazard. This increases the time and energy both Clerk and Internal Auditor have to spend trying to make sense of it all! I have spent some time assisting the present Clerk to understand how the financial accounting system can be made to work best and to the advantage of both her and Council. [Not all of this time will be invoiced.] She and I have, though, continuing e-mail problems that revolve around the software loaded (or more probably not loaded) onto Bradwell Council's computer.

Last year I wrote:

Members will note from the tabled set of accounts that Council has received nearly £9K more in grants (including £5K from the Precept) than it has spent on the project. A specific Restricted Fund has been set up as a reserve fund to hold this "surplus" pending completion of works now being contemplated.

During the year under review no further works were carried out. The balance remaining of the sums set aside for this project now amount to £9,369 and these continue to be held as a separate fund. I understand that plans are being made to pass over the whole responsibility for the Village Hall to its Management Committee who will, it is hoped, take over leasing it from the church authorities. The cash will, if all goes well, follow.

I draw your attention to the amount that is accumulating in Council's General Reserve. When I first suggested Council should be seen to have a financial policy for its Reserves, it was agreed that Council should retain a sum up to one year's turnover to meet emergency expenditure and any unexpected cash-flow issues. Since then Council has provided and has to maintain children's play equipment. The value of Council's General Reserve at the end of March 2014 was approx £14,000, nearly twice its annual turnover. I suggest that Council should not let it grow further and adjust its policy to "up to two years turnover", as set out in Note 4 to the accounts.



John Reddington
Coggeshall
17th May 2014