

Miss Ann C Wood LL.B. Hons, DMS, Cert.HE
134 Witham Road,
Black Notley,
Essex CM77 8LN
Tel - 07939 209180 e-mail - ann@letchwood.co.uk

Internal Audit Report for Bulmer Parish Council

I am pleased to report that I have completed my Internal Audit for the Parish Council for the period 1st April 2023 to 31st March 2024. The Audit was carried out on 27th June 2023.

Members should be aware that my work cannot be relied upon to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which are the responsibility of the Members of the Council to guard against.

I have highlighted some issues, the most important of which is the Clerk's contract. Legally, this must be signed by both parties on or before the first day of the employment. All the issues need to be addressed by the Council as soon as possible. I found the record keeping to be of a very good standard.

I would like to record my appreciation to the Clerk of the Council, Lynsey Ritchie-Fagg for her invaluable assistance during the Internal Audit.

Ann C Wood

Ann C. Wood LL.B.Hons, DMS, Cert.HE
29th June 2024

Items Raised by the 2022/2023 Audit

There are no issues to raise in the year under review

Items Raised by the 2023/20234Audit

1. A financial/reputational risk assessment was not carried out during the year. The Risk assessment should include reference to Data Protection legislation
2. The current Clerk took on the role on 4th March 2024 and there is specific mention of the appointment as RFO in the contract. The Clerk is the only employee and a draft contract of employment has been seen. The contract was issued in February 2024 but at the time of the Internal Audit had not been signed by the Chairman of the Council. The contract is legally binding and the Council should have checked before issuing it, that it could honour the terms and conditions contained in it. This should be addressed by the Council as a matter of urgency
3. The website does not show the Notice of Electors Rights for the 2022/2023 year. This should be rectified as soon as possible and there must be at least 5 years available
4. The office of vice chairman does not exist and anyone appointed/elected to the post should not sign a Declaration of Acceptance of Office
5. The Council's general and earmarked reserves do not add up to the amount on the AGAR and are not clearly identified. The earmarked reserves should be clearly identified

Electorate	536		
Councillors	7		
General Power of Competence	Does the Council have the General Power of Competence?	Yes	The Council does not operate under the LGA s137 as it has adopted the General Power of Competence. This was agreed at the May 2023 meeting
LCAS	Has the Council attained any of the LCAS levels?	No	
Reserves	Are the general reserves reasonable for the activities of the Council?	No	The Council's general and earmarked reserves do not add up to the amount on the AGAR and are not clearly identified.
	Are earmarked reserves identified?	No	Please see above
Sole Trustee	Is the Council a sole trustee of any charity?		Lawrence Coe Recreational Trust - Charity Number 1099131 Separate meetings are held and minuted. Basic accounts are prepared which have not been audited Bank Account Unity Trust Bank - £2579.82 20437912

Accounting Basis	Receipts and Payments		
Bank Accounts	Unity Trust Bank – Current Account 20431060		£16913.77
	Unity Trust Bank – Deposit Account 20464257		£27340.22
	Unity Trust Bank – Deposit Account 20467908 (Allotment Key Deposits)		£440.49
	Barclays – Deposit Account 73266079		The Council has now closed this account

<p>Petty Cash</p> <p>Income</p> <p>VAT</p> <p>ICO Registration</p>	<p>The CCLA Bond 0119410001PC is on the Asset Register at £31211.46</p> <p>Not Applicable</p> <p>The Council is not registered for VAT</p> <p>Data Protection Registration Number – ZA145556</p>		<p style="text-align: right;">Precept - £11114.00</p> <p>This agrees to the figure published by PKF Littlejohn</p> <p style="text-align: right;">Other Income - £16151.00</p> <p>This includes Street Cleaning grant, allotment rents and deposits, grazing rents, VAT claimed, S106 monies, donations from residents, bank interest and other income</p> <p>A VAT claim was made during the year for the 2022-2023 and part of the 2023-2024 year. The claim is made annually</p> <p>Registered 17th November 2015. Expires 16th November 2024</p>
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Internal Control	Testing		Comments
<p>Proper bookkeeping</p>	<ul style="list-style-type: none"> • Is the cashbook maintained and up to date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Council uses a Excel spreadsheet to manage the accounts and the cashbook is kept up to date</p> <p>The bank balances are noted at each meeting and the bank reconciliations, which are checked by a councillor. There is a monthly balance to budget comparison report presented</p>

Standing Orders and Financial Regulations	Has the Council formally adopted standing orders and financial regulations?	Yes	The Standing Orders were adopted on 22 nd May 2023 at item 5.1 Financial Regulations were reviewed and adopted on the same date and at item 5.2
Other Policies	Has the Council formally adopted other policies?	Yes	A list of policies is available on the website

Payments Controls	Have items or services above the de minimus amount been competitively purchased?	N/A	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes	Two samples were checked from October 2023 and March 2024 and found to be correct
	Has VAT on payments been identified, recorded and reclaimed?	Yes	VAT payments have been identified and recorded and a claim was made for the 2022-2023 year and part of the 2023-2024 year in August and November 2023
	Is s137 expenditure separately recorded and within statutory limits?	N/A	The Council does not operate under the LGA s137 as it has resolved to adopt the General Power of Competence
	Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website	N/A	

Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No	The minutes of the Council meetings for the year 2023/2024 were read and no unusual financial activity was noted
	Do the minutes record the council carrying out an annual risk assessment?	No	A financial/reputational risk assessment was not carried out during the year Risk assessment should include reference to the General Data Protection Regulations 2018
	Is insurance cover appropriate and adequate?	Yes	The Council is insured with Hiscox through

			<p>Came and Company Policy No. 8050866. This was part of a three-year long-term agreement which finished in June 2024</p> <p>Public Liability and Employers Liability are set at £10million</p> <p>Fidelity Cover = recommended guidelines of year end balances + 50% of the precept</p>
	Are internal financial controls documented and regularly reviewed?	Yes	The Internal Financial Control is part of the Risk Assessment
	Has the council adopted a Code of Conduct?	Yes	The Council re-adopted a Code of Conduct on 22 nd May 2023 at item 5.3
	Was the Annual Parish Council Meeting held within the prescribed timeframe?	Yes	The Parish Council must meet annually. In an election year, this must be on the day when the councillors take office or within 14 days, or on any day in May in any other year. The meeting was held on 22 nd May 2023 and the first item was the election of the Chairman
	Was the Annual Parish Meeting held within the prescribed timeframe?	Yes	A Parish Meeting must be held annually between 1 st March and 1 st June (both inclusive). The Annual Assembly took place on 26 th April 2023

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	<p>A budget was agreed at item 11.2 on 16th January 2023</p> <p>The Precept was agreed on the same date at item 11.3</p>
	Is actual expenditure against the budget regularly reported to the council?	Yes	The receipts and payments are presented to the Council and minuted and a comparison is produced
	Are there any significant unexplained variances from	No	Any variances in budget are explained in the

	budget?		Annual Accounts
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Income Controls	Is income properly recorded and promptly banked?	Yes	All income payments are now received by bank transfer and online payment
	Does the precept recorded agree to the Council Tax authority's notification?	Yes	£11114.00
	Are security controls over cash and near-cash adequate and effective?	Yes	See above
	Does the Council Review its fees on a regular basis?	Yes	

Petty cash procedures	The Council does not operate a petty cash system	N/A	
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Payroll Controls	Has a Responsible Financial Officer been appointed with specific duties?	Yes	The current Clerk took on the role on 4 th March 2024 and there is specific mention of the appointment as RFO in the contract
	Do all employees have contracts of employment with clear terms and conditions?	Yes	The Clerk is the only employee and a contract of employment has been seen. The contract was issued in February 2024 but at the time of the Internal Audit had not been signed by the Chairman of the Council. The contract is legally binding and the Council should have checked before issuing it, that it could honour the terms and conditions contained in it
	Do salaries paid agree with those approved by the Council?	Yes	The Council uses the services of a payroll company, DM Payroll
	Are other payments to employees reasonable and approved by the Council?	Yes	Home allowance and mileage are paid
	Have PAYE/NIC been properly operated by the Council as	Yes	Regular payments are made to HMRC

	an employer?		
Asset Controls	Does the council maintain a register of all material assets owned or in its care?	Yes	<p>It should be noted that the asset value listed in the Asset Register should be the same as that recorded on the AGAR, which at £193190.00 is correct</p> <p>The values used should not be those of the insurance. It should be noted that there should be no variation in Box 9 of the AGAR, unless assets have been bought or disposed of</p>
	Are the assets and Investments registers up to date?	Yes	

Bank Reconciliation	Is there a bank reconciliation for each account?	Yes	The bank reconciliations are presented at the bi-monthly meetings
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes	
	Are there any unexplained balancing entries in any reconciliation?	No	

Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes	Accounts are prepared on a Receipts and Payments basis, as the Council is below the £200,000.00 threshold
	Do the accounts agree with the cashbook?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	Yes	Two samples were checked from October 2023 and March 2024 and found to be correct
	Where appropriate, have debtors and creditors been properly recorded?	N/A	
	Were the Annual Accounts, the Annual Governance Statement and Annual Accounts and Accounting	Yes	Year End 31 st March 2024 signed on 25 th June 2024 at item 13b

	Statement signed by the Council? Is there a Certificate of Exemption?	N/A	
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Auditor's Reports	Was the Internal Auditor's Report reported to the Council?	Yes	A written report was given to the Council and noted on 17 th July 2023 at item 10.2.
	Was the External Auditor's Report reported to the Council?	N/A	The Council was exempt from a review by the External Auditor under Section 9 Local Audit (Smaller Authorities) Regulations 2015

Loan	Were any loans made to volunteer bodies during the year?	No	
PWLB	Were there any outstanding loans from PWLB (or others)?	No	

Donation to the Church	Does the Council make any grants to the church?	No	
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