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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 2022 to 31st March 2023. The Audit was carried out on 8th 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.

Members will be pleased to know that I found no items of concern in my audit to report. 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, Claire Waters for her invaluable assistance during the Internal Audit.

Ann C Wood

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8th June 2023

Items Raised by the 2021/2022 Audit

1. No financial/reputational risk assessment was carried out during the year. The Council should undertake a Risk Assessment annually and formally record it in the minutes. This will be reviewed in the 2022/2023 audit. The Risk Assessment should include reference to the General Data Protection Regulations 2018
The Council completed a Risk Assessment in July 2022
2. A budget was agreed at item 121/2020 on 18th January 2021 and a copy of the budget papers has been seen. The Precept was agreed on the same date at item 121/2020 but the total figure was not minuted. The total figure precepted must be minuted
Noted
3. A written report was given to the Council and noted at item 12 10.2 on 19th July 2021. However, there was no plan of action recorded to deal with the recommendations. The Council must record a plan of action if recommendations are made
Noted
4. Currently there are no earmarked reserves identified and at the current levels, the reserves are very high. The Council should earmark reserves and adopt a reserves policy
The Council has re-stated the CCLA bond in its Asset Register and some earmarked reserves have now been identified, bringing the General Reserves down into the recommended level of between 50% and 100% of Precept
5. The monies deposited with the CCLA should not appear as a bank account but as an asset on the Register
This matter has been addressed and the CCLA Bond now appears on the Asset Register

Items Raised by the 2022/2023 Audit

There are no issues to raise in the year under review

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 again 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? Are earmarked reserves identified?	Yes Yes	The Council now earmarks reserves and has re-stated its Asset Register to accommodate the CCLA bond. Its General Reserve is now within the recommend level of 50%-100% of Precept
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 Bank Account - £2072.43 20437912

Accounting Basis	Receipts and Payments		
Bank Accounts	Unity Trust Bank – Current Account 20431060		£9354.72
	Unity Trust Bank – Deposit Account 20464257		£35594.65
	Unity Trust Bank – Deposit Account 20467908 (Allotment Deposits)		£110.55
	Barclays – Deposit Account 73266079		The Council has tried to close this account £6.32 interest has been added, which keeps it open

<p>Petty Cash Income</p>	<p>The CCLA Bond 0119410001PC has been re-stated on the Asset Register at £31211.46</p> <p>Not Applicable</p>		<p>Precept - £10719.00</p> <p>This agrees to the figure published by PKF Littlejohn</p> <p>Other Income - £6600.10</p> <p>This includes Street Cleaning grant, allotment rents, grazing rents, VAT claimed, S106 monies and other income</p>
<p>VAT</p>	<p>The Council is not registered for VAT</p>		<p>A VAT claim was made during the year for the 201-2022 year. The claim is made annually</p>
<p>ICO Registration</p>	<p>Data Protection Registration Number – ZA145556</p>		<p>Registered 17th November 2015. Expires 16th November 2023</p>

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 bank statement 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 18 th July 2022 at item 2022/3.1 Financial Regulations were reviewed and adopted on the same date and at the same item
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	Three samples were completed on this occasion and found to be correct VAT payments have been identified and recorded and a claim was made for the 2021-2022 year in the 2022-2023 as well as for the current year The Council does not operate under the LGAs137 as it has adopted the General Power of Competence
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes	
	Has VAT on payments been identified, recorded and reclaimed?	Yes	
	Is s137 expenditure separately recorded and within statutory limits?	N/A	
	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 2022/2023 were read and no unusual financial activity was noted
	Do the minutes record the council carrying out an annual risk assessment?	Yes	A financial/reputational risk assessment was carried out during the year on 18 th July 2022 at item 2022/3.2 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 Came and Company Policy No. 8050866. This is part of a three-year long-term agreement Public Liability and Employers Liability are set at £10million Fidelity Cover = recommended guidelines of year end balances + 50% of the precept
	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 18 th July 2022 at item 2022/3.1
	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 remotely on 16 th May 2022 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 16 th May 2022

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	A budget was agreed at item 10.2/2021 on 17 th January 2022 and a copy of the budget papers has been seen The Precept was agreed on the same date at item 10.3/2021
	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 budget?	No	Any variances in budget are explained in the Annual Accounts

Income Controls	Is income properly recorded and promptly banked?	Yes	The majority of payments are now received by bank transfer and online payment
	Does the precept recorded agree to the Council Tax authority's notification?	Yes	£10719.00
	Are security controls over cash and near-cash adequate and effective?	Yes	The majority of payments are now received by bank transfer and online payment with the exception of a small number of cheques for allotment and grazing rents, which are banked as soon as is practicable
	Does the Council Review its fees on a regular basis?	Yes	The allotment fees were reviewed in July 2022 and the grazing fees on 20 th March 2023

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 1 st October 2020 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. An office allowance and mileage are paid
	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	
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes	Regular payments are made to HMRC

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	
	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	No sample was taken on this occasion
	Is there an audit trail from underlying financial records to the accounts?	Yes	
	Where appropriate, have debtors and creditors been properly recorded?	N/A	
	Were the Annual Accounts, the Annual Governance Statement and Annual Accounts and Accounting Statement signed by the Council?	Yes	Year End 31 st March 2023 signed on 22 nd May 2023 at items 2023/14/12.4 and 2023/14/12.5

	Is there a Certificate of Exemption?	Yes	Agreed on 22 nd May 2023 at item 2023/14/12.3
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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 at 2022/12/10.2 on 18 th July 2022. There was a plan of action recorded to deal with the recommendations, although not all the items were included
	Was the External Auditor's Report reported to the Council?	N/A	The Council is 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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