

**INTERNAL AUDIT SERVICE FOR Bradford Peverell PARISH COUNCIL**

**Audit Programme – Financial Year 2023-24**

**I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the JPAG Practitioners Guide, published April 2024. In order to carry out the audit below I have also reviewed the minutes of the Parish Council and its committees to gauge the effectiveness of the authorities’ overall controls and decision-making processes.**

<b>AGAR Certificate Reference</b>	<b>Tests</b>	<b>Test complete</b>	<b>Comments</b>
<p>A : Appropriate accounting records have been kept throughout the year</p> <p>I: Periodic bank reconciliations were properly carried out during the year.</p>	<p>Ensure that the carried forward balance from the prior year cash book balances to the new financial year</p>	<p>Yes</p>	<p>The carried forward balance of £9171.39 is correct.</p>
	<p>Check a sample of the financial transactions in the cashbooks, to the bank statements and that S137 limits are adhered to.</p>	<p>Yes</p>	<p>There was evidence towards each cashbook entry. The S137 payments are £50.00 towards Chalk Valley newsletter and leaving gift for Clerk at £59.00. These are within the annual spending limit of £9.93 All of the payments were included in the minutes. The invoices making up the payment for the Clerks new laptop come to £624.90 and not £614.95 as showing on the cashbook.</p> <p><b><u>Recommendation 1:</u></b>  <b>That the correct amount for the Clerks laptop is put into the cashbook or the invoice trail amended to show that only part of an invoice was reclaimed.</b></p> <p><b><u>Recommendation 2:</u></b>  <b>Two of the three invoices included in the laptop reimbursement are not showing any VAT breakdown nor do they have any reference to the Parish Council. Invoices with the correct information should be sought in order to reclaim the VAT.</b></p> <p><b><u>Recommendation 3:</u></b>  <b>That the entry for £301.01 for insurance is put into the correct column on the</b></p>

AGAR Certificate Reference	Tests	Test complete	Comments
			<b>cashbook as it currently sits in Admin.</b>
	Ensure that the bank reconciliations are prepared regularly and subject to independent scrutiny and sign-off by Council members	Yes	An end of year bank reconciliation was presented for audit and was correct to the bank statements. <b><u>Recommendation 4:</u></b> <b>That bank reconciliations are produced and presented to the Council at least quarterly.</b>
	Verify the accuracy of the year-end bank reconciliation and ensure the correct amount is listed on the AGAR report	Yes	The start and end balances on the AGAR are correct. Pending the outcome of the Trustees recommendation.
	If the authority has bank balances in excess of £100,000 that it has an appropriate investment strategy	Yes	The Parish Council does not hold more than £100,000 in its account.
B: The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	Review the procedures in place for acquisition of formal tenders and quotes ensuring they are in line with the Standing Orders and Financial Regulations.	Yes	There is no detail in the Standing Orders regarding formal tenders or quotes. There are no parameters to outline costs when tenders are required. <b><u>Recommendation 5:</u></b> <b>That the Standing orders are reviewed against similar councils and updated to include the parameters for costing limits for quotes and tenders.</b> The Clerk informed the auditor that the model financial regulations are being referred to as per NALC and DAPTC as and when required. <b><u>Recommendation 6:</u></b> <b>That the model financial regulations are considered and adapted to meet the needs of the Parish Council. These should be cross referenced in the Standing orders to ensure limits are consistent across the two documents</b>
	Ensure that consistent values are in place for the acquisition of formal tenders between the Standing Orders and Financial Regulations	N/A	<b>See Recommendations 5 &amp; 6</b>
	Review the procedure for receipt of invoices, agreement	N/A	<b>See Recommendations 5 &amp; 6</b>

AGAR Certificate Reference	Tests	Test complete	Comments
	<p>of invoice detail and confirmation of goods/services delivery and approval for payment.</p> <p>Check that there is effective segregation between the writing of cheques or setting up of online payments and the physical release of the payments.</p>	Yes	There are several instances in the minutes where it is referred to that the bank account requires the Clerk and two other signatories to pay invoices.
	Ensure that all cheques dated within the year are listed in the cashbook, whether cashed or not at the year end.	Yes	The cheque book was not presented to be checked. However, all the payments listed in the minutes were showing on the cashbook and cashed on the bank statement before the year end.
	Check all of the invoices to ensure that VAT has been identified and noted correctly in the Cashbook	Yes	There are two invoices paid in the cashbook showing as having VAT. The first for the plumbing at the hall is acceptable. The second is the VAT included in the purchase of the laptop for the new Clerk. Whilst one of the invoices from the 3 that make up this amount is showing VAT and the Bradford Peverell reference/email. The main invoices are not. <b>See recommendation 2</b>

	Check that the VAT reclaims are prepared and submitted in a timely manner in line with underlying records and in accordance with HMRC requirements	Yes	No VAT claims were made in 2023-24 <b><u>Recommendation 7:</u></b> <b>That an VAT from previous years is reclaimed as soon as possible.</b>
	Where debit/credit cards are in use, ensure the appropriate controls over physical security and usage of the cards are in place.	N/A	No debit cards are used
C: The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	Ensure that authorities have prepared and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc	Yes	There is no evidence in either the minutes, website or from the Clerk that at Risk Register exists. <b><u>Recommendation 8:</u></b> <b>That a risk register is developed as soon as possible.</b>
	Ensure that appropriate levels of insurance cover are in place for land, building , public , employers, and hirers (where applicable) liability, fidelity, employees, business interruption and cyber security	Yes	Insurance is covered by Community First Insurance. A copy of the schedule was not provided so the levels and values of cover could not be checked.  <b><u>Recommendation 9:</u></b> <b>That the insurance cover is checked against the asset and risk registers once reviewed and complete.</b>
	Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officer or members that they have received the appropriate training and accreditation.	Yes	Councillors nominated to monitor Amenity fields. A playground inspection was carried out in March 23 and minuted in April 23 with Councillors noting the recommendations for repairs and maintenance.
	Ensure that the internal and external audit reports are noted in the minutes including any recommendations and the associated remedial action to be taken.	Yes	The Council was exempt from External audit in 22-23.  The Internal Audit was not reported in the minutes, although a payment was made to person who completed the audit. <b><u>Recommendation 10:</u></b> <b>That the internal audit report is circulated, added to the website and minuted along with details of how the Council intends to carry out the recommendations.</b>

D: The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves are appropriate	Ensure that the full authority, not a committee, has considered, approved and adopted that annual precept in accordance with the required parent authority timetable.	Yes	Agreed by Council at meeting on 4 Jan 2024. The Precept was set at £9430.00
	Ensure that budget reports are prepared and submitted to Authority/Committees periodically during the year with appropriate commentary on any significant variances (+/- 10%)	Yes	It was reported in the minutes that the budget papers had been circulated but there is no detail in the minutes nor on the website to support this. <b>Recommendation 11:</b> <b>That full budget papers are published to show why and how the Council each their Precept request decision</b>
	Ensure that the Authority has considered the establishment of specific earmarked reserves and ideally reviews them annually as part of the budget assessment process.	Yes	There is no evidence of any earmarked reserves other than the £279.00 which is in the Amenity Fields account.
	Ensure that any Community Infrastructure Levy monies that have been received have been ringfenced and allocated appropriately. As all CIL monies received need to be used within a 5-year time frame a schedule of projects to which each set of CIL received have been allocated, with timescales should be in place	N/A	The Parish Council is not holding nor has received any CIL monies
	Ensure that the precept in the accounts matches the submission form to the relevant authority and the public record of the precepted amount in the minutes.	Yes	Figures agree and were received in the bank account
E: Expected income was fully received based on correct prices, properly recorded and promptly banked (e.g.: within 7 days). VAT was appropriately accounted for	Review Aged Debtor listings to ensure appropriate follow up action is in place	N/A	Receipt and payments accounts are used so there are no debtors
	Allotments (if applicable) ensure that appropriate signed tenancy agreements exist, that a register if tenants is maintained showing that debtors are monitored.	N/A	No Allotments are operated by the Council
	Burials (if applicable) ensure that a formal burial register is maintained and that this is up to date and that a sample of internments are memorials are	N/A	The Council does not operate a burial ground or carry out burials

	appropriately evidenced, that fees have been charged at the correct approved rate and recovered within a reasonable time.		
	Hall Hire (if applicable) ensure that an effective diary system for bookings in place identifying the hirer, hire times, and ideally cross-reference to invoices raised.	N/A	The Council does not Hire out a Hall, although it is a Trustee for the Village Hall which is a separate charity.
	Leases: Ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents reviewed appropriately at the due time	N/A	No leases are currently in place
	Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of income	N/A	No other income streams are identified in the cashbook or minutes
	Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained identifying the date(s) on which income is due, actually received and banked.	Yes	Precept is received via BACS and identified in the accounts

F: Petty Cash payments were properly supported by receipts; all Petty cash expenditure was approved and VAT appropriately accounted for	Review the systems in place for controlling any petty cash and also cash floats	N/A	No Petty Cash is held
	Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held	N/A	No Petty Cash is held
	Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held.	N/A	No Petty Cash is held
	Ensure that VAT is identified whenever incurred and appropriate	N/A	No Petty Cash is held
	Physically check the petty cash and other cash floats held	N/A	No Petty Cash is held
G: Salaries to employees and allowances to members were in accordance with the authority's approvals and PAYE and NI requirements were properly applied	Ensure that for ALL staff a formal employment contract in place together with a confirmatory letter setting out any changes to the contract.	Yes	The previous Clerk was paid in full as self-employed. There is evidence within the minutes that the current Clerk is trying to register the Parish Council as an employer and as soon as this happens he will pay himself his salary up to date. No payment has been made to the Clerk since the previous Clerk left to comply with HMRC regulations. <b>Recommendation 12:</b> <b>That the new Clerk has a contract which details hourly rate and contracted hours per month.</b> <b>HMRC employers' registration should be up and running as soon as possible.</b>
	Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	Yes	The previous Clerk was self-employed which is not acceptable
	Ensure that for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate and also with the contracted hours	Yes	The previous Clerk was self-employed which is not acceptable. The invoice they submitted gave no evidence of hours or pay scale.
	Ensure that the appropriate tax codes are being applied to each employee	Yes	The previous Clerk was self-employed which is not acceptable
	Where free or paid for software is used, ensure that it is up to date	Yes	The previous Clerk was self-employed which is not acceptable

	For a test sample of employees ensure that the tax is calculated properly	Yes	The previous Clerk was self-employed which is not acceptable
	Check the correct treatment of Pension contributions	Yes	The previous Clerk was self-employed which is not acceptable
	For NI ensure that the correct deduction and employer's contributions are applied	Yes	The previous Clerk was self-employed which is not acceptable
	Ensure that the correct employers' pensions percentage contribution is being applied	Yes	The previous Clerk was self-employed which is not acceptable

	Ensure that for the test sample, the correct net pay is paid to the employee with tax NI and pension contributions correctly paid to the respective agencies	Yes	The previous Clerk was self-employed which is not acceptable
H: Asset and Investment registers were complete, accurate and properly maintained	Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of /no longer serviceable assets	Yes	The Asset register was provided; however, it is not up to date as it does not include the new laptop nor the disposal of the old one. The most recent asset inclusion date is 2014. <b>Recommendation 13:</b> <b>That the asset register is reviewed and agreed by the Council.</b>
	Physically verifying the existence and condition of high value, high risk assets may be appropriate	N/A	It would not be cost effective for the internal auditor to visit the Parish Council to check each asset. The Council should arrange to do this as part of the asset review each year.
	Ideally the register should identify for each asset the purchase cost and if practicable, the replacement / insured cost, the latter being updated annually and used to asset in forward planning for asset replacement	Yes	<b>See Recommendation 13 re updating.</b>
	Additions and disposals records should allow tracking from the prior year to current	Yes	<b>See Recommendation 13 re updating.</b>
	Ensure that the asset value to be reported in the AGAR equates to the prior year reported value, adjusted for new acquisitions and disposals.	No	£28,000 given in section 9 of AGAR. This cannot be correct given that it is the same amount as the previous year and yet a new laptop was purchased. <b>Recommendation 14:</b> <b>That the AGAR Asset register figure is re-considered and reviewed before sign off.</b>
	Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured	Yes	<b>See Recommendation 13 re updating.</b>
	Ensure that all long-term investments (i.e.: those longer than 12 months terms) are covered by an investment strategy and reported as assets	Yes	No long-term investments are in place

	on the AGAR		
	Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	N/A	No loans are in place
	Ensure that the authority has accounted for the loan appropriately (i.e.: arrangement fees are regarded as administration expenses in the year of receipt)	N/A	No loans are in place

	Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR	N/A	No loans are in place
	Ensure that the outstanding loan liability as at 31 <sup>st</sup> March each year is correctly recorded in the AGAR and verified via the DMO website	N/A	No loans are in place
	Where the authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body or their members agreeing to underwrite the loan debt	N/A	No loans are in place
J: Accounting statements prepared during the year	Ensure that, where the annual turnover exceeds £200,000 appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting	N/A	The Councils turnover is less than £20,000
	Ensure that appropriate accounting arrangements are in place to account for debtors and creditor during the year and at the financial year-end	Yes	Receipts and Payments accounting is being used.
K: If the authority has certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt	The correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline	Yes	A copy of the exemption certificate has been seen and is visible on website
	That it has been published together with all the required information on the Authority's website and noticeboard	Yes	See above
L: The authority publishes information on a website/webpage and complies with the relevant Transparency Code	<b>FOR COUNCILS COVERED BY THE UNDER £25,000 EXTERNAL AUDIT EXEMPTION :</b> A review of the Authority's website shows that all the required documentation is published in accordance with the Transparency code : <ul style="list-style-type: none"> <li>• A list of all expenditure of £100</li> </ul>	No	Not specifically published but available within the minutes

	<ul style="list-style-type: none"> <li>• End of year Accounts</li> <li>• Annual Governance Statement</li> <li>• Internal Audit Report</li> <li>• List of Councillors and responsibilities</li> <li>• Details of public land and buildings</li> <li>• Minutes, Agendas and meeting papers of formal meetings and committees.</li> </ul>	<p>No</p> <p>No</p> <p>No</p> <p>Yes</p> <p>No</p> <p>Yes</p>	<p>Not visible on the website.</p> <p>Not visible on the website</p> <p>Not visible on the website</p> <p>Available on website</p> <p>No land or buildings are held by the Parish Council</p> <p>Agendas and minutes are published online</p> <p><b><u>Recommendation 15:</u></b>  <b>That the required transparency code documents are uploaded and easily accessible.</b></p>
	<p><b>FOR COUNCILS OVER THE £25,000 EXEMPTION LIMIT :</b></p> <p>A review of the Authority's website shows that:</p> <ul style="list-style-type: none"> <li>• A list of all expenditure of £500</li> <li>• End of year Accounts</li> <li>• Annual Governance Statement</li> <li>• Internal and External Audit Report</li> <li>• List of Councillors and responsibilities</li> <li>• Details of public land and buildings</li> <li>• Details of goods and services open to tender quotes.</li> </ul>	N/A	Not applicable as the council is under this limit
M: The authority has, during the previous year correctly provided during the period for the exercise of public rights as required by the Accounts and Audit regulations	Check that the require 'Public Notice' has been created and clearly stated that there is a 30 working day period when the Authority's records are available for public inspection	No	<p>This is not visible on website.</p> <p>Publication of AGAR on the Parish Website is mentioned in Minutes of 22 June 23, but cannot be found.</p> <p>No mention of inspection dates</p> <p><b><u>Recommendation 16:</u></b>  <b>That the dates of the public inspection period are listed in the minutes and published on the website. This is essential where a Council is not subject to an external audit.</b></p>
	Check that the Council has minuted the relevant dates of this period at the same time as approving the AGAR	Yes	<b>See Recommendation 16 above</b>
N: The authority	Ensure that the statutory disclosure/publication	Yes	<b>See Recommendation 15 above</b>

complied with the publication requirements for the prior year AGAR	requirements in relation to the prior years AGAR have been met as detailed on the front page of the current years AGAR		
O: Trust funds (including charitable) – the Council has met its responsibilities as a trustee	Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements	Yes	Charity Commission 270259. Filing is up to date
	That the Council is the sole trustee on the Charity Commission register	Yes	The Council is listed as a Custodian Trustee on the website. There are 5 named trustees on the Charity Commission website. None of those listed are current Parish Councillors. <b>Recommendation 17:</b> <b>That the website is improved to be clearer about the relationship of the Parish Council with regards to the Village Hall, e.g.: ownership / liability etc</b>
	That the Council is acting in accordance with the Trust deed	N/A	This is not known as the Trust Deed has not been provided for audit. <b>Recommendation 18:</b> <b>That the Village Hall Trust deed is reviewed and that the Parish Councils trustee responsibilities clearly understood by the Councillors.</b>
	That the Charity meetings and account are recorded separately from those of the council	Yes	A representative reports back to the Parish Council and the Village Hall has a separate bank account.
	Review the level and activity of the charity and where a risk-based approach suggests such, review the independent Examiners report	N/A	Not easily visible on website or in documents submitted. An independent examiners report was not visible. <b>Recommendation 19:</b> <b>That the Parish Council as trustees have sight of and can comment on the independent Examiners report for the Charity. This should be detailed in the minutes of the Parish Council</b>

Report compiled by:

Paula Harding (Principal)  
Barker Fox Associates

Date :