

## INTERNAL AUDIT SERVICE FOR BRAMLEY PARISH COUNCIL - AUDIT PROGRAMME

I certify that I have carried out the tests detailed below in accordance with the 2022 Accounting and Audit Regulations.

*J. Hepworth.*

Signed..... \_\_\_\_\_ .....Date: 19 May 2023, completed 20 June 2023

Name & qualifications: Janice Hepworth FMAAT

1 Internal Control	2 Tests	3 Initial Yes	4 Initial No	5 Comments
Previous Internal Audit Report	Do the minutes record that Council has considered the Internal Audit Report for the previous year and the matters arising addressed?	Yes		Internal, yes, - June 2022 External Notice of Conclusion of Audit has not been seen by full council.
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes		
	Is the cashbook arithmetically correct?	Yes		
	Is the cashbook regularly balanced?	Yes		
Standing Orders and Financial Regulations	Has the Council formally adopted Standing Orders and Financial Regulations?		No	SO reviewed Oct 22. Financial Regs need updating and have not been re- approved as yet
	Has a Responsible Financial Officer been appointed?	Yes		
	Have items or services above a de minimis amount been competitively purchased?	Yes		Skatepark refurbishment – cannot see that quotes were approved by Council. See notes. Update – approved June 2023
	Are payments in the cashbook supported by invoices and have they been authorised and minuted?		Not all	Minutes for Apr 22, Feb 23 and March 23 did not include the finance report. See notes
	Has VAT on payments been identified, recorded and reclaimed?	Yes		
	Is Section 137 expenditure separately recorded and within statutory limits?	Yes		NB Need to be listed and published on website.
Risk Management Arrangements	Does a scan of the minutes identify any unusual activity?		No	

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Risk Management Arrangements (cont'd)	Do the minutes record the Council carrying out an annual risk assessment?	Yes		May 2022
	Is insurance cover appropriate and adequate?	Yes		
	Are internal financial controls documented and regularly reviewed?	Yes		See above – proposed Sep 22 Council that Finance sub-committee should amend/update document, but this has not happened. Clerk informs that this is going to Council in June 2023. Update – deferred at June 2023 meeting, new Finance Committee to be created and this committee will review Financial Regs.
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?	Yes		
	Is actual expenditure against the budget regularly reported to Council?	Yes		
	Are any significant variances from budget explained?	Yes		
Income Controls	Is income properly recorded and promptly banked?	Yes		
	Does the precept recorded in the cashbook agree to the Council Tax Authority's notification?	Yes		
	Are security controls over cash adequate and effective?	Yes		Small amounts of cash from "Chatty Café" receipts.
Petty Cash Procedures	Is petty cash spent recorded, and supported by receipts?			Not applicable
	Is petty cash expenditure reported to each Council Meeting?			Not applicable
	Is petty cash reimbursement carried out regularly?			Not applicable

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Payroll Controls	Do salaries paid agree with those approved by Council?	Yes		Clerk's starting salary to be approved; although pay increase approved in Nov 2022. See notes.
Payroll Controls (cont'd)	Has PAYE/NIC been properly operated by the Council as an employer?	Yes		
	Do all employees have contracts of employment with clear terms + conditions?	Yes		Yes – Clerk's contract to be approved, and Finance Officer's contract needs to be updated.
Assets Controls	Does the Council keep an Assets Register of all material assets owned?	Yes		
	Are the Assets & Investments Register up to date?	Yes		
Bank Reconciliation	Is there bank reconciliation for each bank account?	Yes		
	Is the bank reconciliation carried out regularly on the receipt of statements?	Yes		
	Are there any unexplained balancing entries in any reconciliation?		No	
	Is the value of investments summarised on the reconciliation?			Not applicable
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis?	Yes		
	Do accounts agree with the cashbook?	Yes		
	Is there an audit trail from underlying financial records to the accounts?	Yes		Payments now being made by direct bank transfer (set up by Finance Officer, approved and funds released by clerk). To improve audit trail, each payment should be allocated a number and this number written on the invoice that it applies to; invoices then filed in

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				numerical order. See notes.
	Where appropriate, have debtors and creditors been properly recorded?			Not applicable

NB this is the second year that payments have exceeded the £200,000 threshold and if this is the case in 2023/24, accounts will need to be prepared on an Income and Expenditure basis, with the comparative figures on the 2022/23 AGAR updated and re-stated so that the form is showing like-for-like figures.

## Bramley Parish Council – Internal Audit May/June 2023

### 1. Minutes of meetings:

- 1.1 The Notice of Conclusion of Audit for the year to 31 March 2023 has not been presented to Council, although it is on the Parish website. Clerk to present to June 2023 council meeting. Update: This has been done June 2023, minutes to be approved at July 2023 meeting.
- 1.2 The minutes for April 2022, February 2023 and March 2023 did not include the Finance report. These need to be updated and approved at the July 2023 council meeting. The clerk explained to me that there were corrections to make, and that current practice is for minutes to be amended after the meeting, then presented to the following meeting for approval.
- 1.3 However, I would suggest that the better practice would be for the amendments to the minutes of the previous meeting to be hand-written onto the master copy of the minutes at the time that they are discussed and agreed, then initialled and dated by the Chair.
- 1.4 Each page of the minutes should be initialled at the meeting where they are to be approved, and a full signature and date added on the last page. This copy of the minutes should be filed as the master copy of events (it is all too easy in this electronic age for minutes to be amended after the fact; this procedure would ensure that there is a fully signed master copy filed). The signed copy should then be scanned to pdf format and uploaded to the website so that all amendments/signatures are shown.
- 1.5 The minutes on the website for February and March 2023 should be updated with the revised, approved, signed copy to ensure compliance with the Local Government Transparency Code. April 2022's minutes have already been removed from the website.

### 2. Financial Accounts:

- 2.1 Financial Regulations – are currently under review. The NALC template has been presented to Council, but this contains a lot of information which is irrelevant to Bramley (it is intended as a “cover-all” for all parish councils) and needs amending considerably to make it relevant to Bramley PC. The clerk confirmed that it was the intention for the Finance Sub-Committee to review the document in September 2022, but this did not happen. Clerk has informed me that this will go to council in June 2023, which it did, but the item was deferred. The new Finance Committee will review this document as soon as possible.
- 2.2 The council has moved to making payments by bank transfer during this financial year. The finance reports only indicate “BP” for “Bank Payment” against each entry. I would suggest that each payment is given a reference number (in place of a cheque number), and that that number is written on the top-right of the relevant invoice. This then gives an audit trail between invoice and payment. Having said that, I was able to find the invoices sampled by date, but it would be clearer if invoices were referenced.
- 2.3 During the year, the council in its role as Trustee for Bramley Village Trust (BVT) resurfaced the skate park at a cost of £18,366.62 plus VAT. I can see in the minutes that it was agreed to waive the financial regulations and accept only two quotations for this work, due to a limited number of available contractors, but the final decision on which quotation to accept has not been approved by council. Due to the urgency of the work,

the clerk emailed councillors for their opinion and the chair emailed the clerk to confirm the final decision. However, this should still have been ratified and minuted at council. Clerk to put this to council in June 2023 (this has been done). The payment is not included in the figures on the AGAR as it is BVT expenditure, but as all BVT payments are approved at council meetings, it is important to include it here. Update – approved retrospectively at June 2023 meeting.

- 2.4 Chatty Café – this is a new venture for the council and has been successful as a community meeting point, particularly in the light of the current cost of living crisis. However, I am concerned that the income from this venture may attract VAT as business income for the council. I would suggest taking advice from YLCA on this matter as soon as possible. Update: YLCA has recommended making the Chatty Café an independent enterprise, funded by a S137 Grant from the council.
  - 2.5 Chatty Café – to confirm verbal conversations during the year with the Finance Officer, all takings from the Chatty Café should be banked in entirety. Staff should not purchase supplies from the takings, all purchases need to be made separately. I understand that this procedure is now in place.
  - 2.6 S137 Payments – total £2,486.60 in the current year. These should be listed and published on the website.
  - 2.7 Payroll – please could I ask that a list is prepared of all employees and their appropriate SCPs/hourly rates? This would form an improved audit trail and could be presented to Council each time there is a pay award to be considered. Update: provided to me on 20/06/2023, to be approved at Council along with the additional day's leave awarded from April 2023 (part of the 2022/23 SLCC pay award).
3. 2022-23 External Audit – there was a discrepancy on the dates given for public inspection of the accounts due to a Bank Holiday date being included in error. I have therefore ticked “no” to questions M and N on the AGAR to reflect this.
  4. Staff Contracts of Employment – I have seen all the staff contracts, however the Clerk's contract has not been signed, so should be taken back to Council for approval/signature. There should be a confidential minute stating the salary at appointment for the new clerk. There is an item in the November 2022 public minutes where a pay increase was awarded to the clerk. This should not be a public item.

Signed:

*J. Hepworth 20/6/23*

Janice Hepworth FMAAT  
Internal Auditor

*R. Thompson 20/6/23*

Rebecca Thompson  
Clerk and RFO to Bramley Parish Council

## Bramley Parish Council – Internal Audit May/June 2023

Comments below are outside the scope of the audit, but as I have noticed areas where improvements could/should be made, I have listed them here for your consideration.

### 1. Minutes of meetings:

- 1.1 The Parish website only has minutes back to June 2022 (although they appear out of order) and I can't see that the earlier ones have been archived. It is good practice for minutes to be retained for a period of 6 years. I have also noticed that some of the links to minutes open in Word, which can be easily manipulated; all minutes should be the signed version, in pdf format. This is another reason why the signed master copy should be kept on file.
- 1.2 Draft minutes should be checked for accuracy by the clerk before being issued to councillors. For example, I noticed that some meeting dates had not been changed from the previous month (September 2022 and May 2023).
- 1.3 Items not for public and press – separate minutes should be kept for such confidential items. The clerk informed me that there are no confidential minutes held.
- 1.4 I understand that some committees have met during the year, but their existence is only just being formalised. As far as I am aware, there are no minutes for any of these informal meetings. Going forward, minutes should be taken at all committees and these minutes should be presented to the next council meeting for decisions to be approved or noted. Copies should be published on the website and included as attachments to council minutes (except for any confidential items, which should have separate minutes as described above). I can see that an area has been set up on the website for these committees going forward.

### 2. Financial Accounts:

- 2.1 Website – the annual accounts for 2021/22 are on the website, but there are documents in different areas. There is a "Finance" heading, but the page is blank; some documents are under "Parish Finances", the 2021/22 AGAR with notice of conclusion of audit is under "Documents". The Accounts and Audit Regulations 2015 state that the AGAR should be publicly available for not less than 5 years, but they do not specify that this must be online, it could also be available in paper form in the council office. I would suggest that best practice is for both online and paper copies to be available.  
<https://www.legislation.gov.uk/ukSI/2015/234/regulation/13/made>
- 2.2 The level of reserves maintained by the council has continued to fall, with net payments in the current year of £13,980 (2021-22 net expenditure £26,517). Although there is nothing set in stone, it is considered prudent to maintain reserves approximately to the value of one-year's precept. Cash reserves on 31 March 2023 were £114,879, and the precept was £150,000. The budget for 2023-24 is showing further net expenditure of up to £40,000 if all projects go ahead (update – 2 projects have now been removed/or achieved at a lower cost, so the realistic figure is now a net spend of approximately

£11,000). Consideration should be given to options available to at least maintain these reserves without further reduction to avoid financial issues in the future.

Signed:

J. Hepworth 20/6/23.

Janice Hepworth FMAAT  
Internal Auditor

Rebecca Thompson  
Clerk and RFO to Bramley Parish Council