

**Bridget.C.Bowen**  
**Chartered Accountant**



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Mrs E Shayler  
Locum Clerk to Bleadon Parish Council  
Coronation Hall,  
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Bleadon BS24 0PG

9 June 2023

Dear Liz

**BLEADON PARISH COUNCIL**

**Internal audit report - Year ended 31 March 2023**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2022-23 Annual Governance and Accounts Return.

I have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2022
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council on 9 May 2022.

My final internal audit review for 2022-23 was undertaken on 9 June 2023.

## **Background**

Bleadon Parish Council has income and expenditure of between £50,000 and £100,000 and is subject to review by the external auditor, BDO LLP. PKF Littlejohn issued their auditor's reports for the 2021 and 2022 audit reviews, which included their conclusions on the formal objections to the accounts.

The Council is the sole managing trustee of Bleadon Children's Playground.

The Council's accounting records are maintained on RBS Alpha.

The Clerk resigned at the end of January 2023. Liz Shayler has been appointed as locum clerk.

## **Internal audit checks**

I have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out during the review.

During this visit I checked the following:

- Minutes of Council Meetings
- Bank and cash
- Expenditure
- Risk assessment
- Asset register
- Action taken on the recommendations in prior report
- Year end checks

## **Findings**

Details of good practice noted, my recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice noted at this review**

- The Locum Clerk is CiLCA qualified
- The Council maintained its books and records on RBS software. It has now moved to Scribe.
- The Council's Standing Orders and Financial Regulations were within the financial year 2022-23 and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- The payroll is operated by an independent external payroll provider
- All employees have contracts of employment
- VAT claims are made regularly
- Adequate insurance is in place
- Action has been taken, or is underway on all of the recommendations in the last internal audit report

## Recommendations

### *Expenditure*

- My test of a sample of payments back to supporting documentation and vouchers in February 2023 indicated that a credit with PATA payroll services in September 2022 (Voucher 120) was paid by the Council. A review of subsequent invoices from PATA (Voucher 155) indicate that the credit and overpayment may not have been carried forward correctly. The Council should investigate this with PATA and ensure it is not being overcharged. Action on this is underway to address this.

## Other matters to be brought to the Council's attention

### Annual Internal Audit Report

- The Annual Internal Audit Report was completed with “No” responses to the internal control objectives: A; B; C; D; E; H; I; M and N.  
Internal control objectives F and K were answered “Not covered” as they are not relevant to Bleadon Parish Council.  
Explanations for these responses are included in Appendix A to this report.
- “Yes” responses were given to the internal control objectives G; J; L and N

### Other matters

- The locum clerk has made excellent progress in addressing all the recommendations from my February 2023 report.
- The Council is scheduled to review and approve the updated asset register at the June meeting.
- The meeting of the Council as sole managing Trustee of the Bleadon Children's Playground is scheduled for 22 June 2023.
- I understand that the accounting records in RBS had many inaccuracies in them. There were significant errors in relation to VAT claims and to the way VAT refunds were recorded. RBS and Nina Flint have spent a considerable amount of time correcting these. After the year end shutdown of the RBS accounts for 2022-23 I discovered another error in relation to the recording of a grant of £4,988 for playground equipment. This had been incorrectly recorded as a reduction in expenditure. A manual adjustment has been made to the figures on the AGAR to add this amount to Box 3 - other income, and Box 6 other expenditure.
- During the year end shut down process it came to light that VAT had been reclaimed three times for the quarter March - June 2022. This has been corrected on the most recent VAT claim.

## Conclusion

Based on the tests I have carried out, the internal control procedures in operation during 2022-23 in my opinion were **not adequate** to meet the needs of Bleadon Parish Council.

From March 2023 onwards in my opinion the internal control procedures now in operation are **adequate** to meet the needs of Bleadon Parish Council.

**Next Steps**

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely

A large black rectangular redaction box covering the signature area.

Bridget Bowen FCA

Internal auditor