

Audit Report

Bradley Stoke Town Council

Audit Plan Year: 2020/21

Audit Status: Audit Completed

Audit Review Date 26th & 27th January 2021

Report Distribution:

Rachel Pullen Finance Manager (RFO)

Sharon Petela Town Clerk

Objective

The objective of the audit was to provide an independent opinion on the appropriateness of the financial control procedures operated in the Council. Senior Audit Officer – Louis James examined these procedures.

Overview

The Town Council has 13 Council Members who sit across 3 committees and is staffed by 17 members of staff. The last Census produced in 2011 recorded that the population for the Bradley Stoke Ward was 20,599. The 2020/21 annual precept was set at £815,540. The Auditor was pleased to report that the recommendations from the previous audit in January 2020 has been addressed.

Opinion

The highlighted wording in the table below provides the opinion for this internal audit review and its accompanying description.

High Standard	Systems and processes are excellent providing good assurance. Significant strengths have been identified and are to be commended, any recommendations made will serve to further strengthen existing arrangements.
Reliable Standard	There are very few significant matters arising from the audit, systems of control are good and provide reasonable assurance.
Improvements Required	Existing procedures need to be improved in order to ensure that they are fully reliable. Extensive recommendations have been made but the issues are not of such a significance to represent a major risk to the Council.
Significant Improvements Required	Existing procedures are weak and reasonable assurance could not be provided over a number of areas. Prompt action is necessary to improve the situation and avoid unnecessary risks.

1. Key Strengths

- Payments are reviewed by the Councillors monthly and published on the Council’s website for transparency;
- There are regular financial reports provided to Councillors, including details of budget headings against actual expenditure;
- Documentation is retained and a complete audit trail was evident for income and expenditure transactions that were sample tested;
- Despite some members of staff having to work from home, all financial processes and procedures have been able to continue effectively;
- Regular risk assessments are undertaken and additional assessments were conducted since the pandemic to ensure council buildings and open spaces are safe;
- Bank reconciliations are completed monthly and there is sufficient oversight by the Councillors.

2. Key Risks

- When bank mandates signatories are out-of-date, there is a potential for unauthorised purchasing.

3. Key Actions

- There are two ex-councillors still named as signatories across multiple bank accounts within the Council. The Council should remove them as soon as possible.

4. Follow Up

As part of our assurance work we will also review audit findings from the in year audit by way of a follow up. We must advise you that as per External Audit requirements we are no longer able to provide a 'Partial' audit opinion on the AGAR (the Annual Governance and Accountability Return). Therefore any audit finding resulting in a 'Partial' or 'No' rated Control Objective at the in year audit, still remaining not implemented by the Year End audit, will now have to be submitted as a 'No' rating on the AGAR.

All of the matters arising from the audit are detailed in the Action Plan together with suitable recommendations.

5. The Control Environment

Key Control Objectives		Achieved?
A.	Appropriate accounting records have been kept properly throughout the year.	Yes
B.	The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	Yes
C.	The council assessed the significant risks to achieving objectives and reviewed the adequacy of arrangements to manage these.	Yes
D.	The annual precept requirement resulted from an adequate budgetary process; progress against budget was regularly monitored; and reserves were appropriate.	Yes
E.	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	Yes
F.	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes
G.	Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	Yes
H.	Asset and investment registers were complete and accurate and properly maintained.	Yes
I.	Periodic and year-end bank account reconciliations are properly carried out.	Yes
J.	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	To be tested at year end
L.	The authority has demonstrated that during summer 2020 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations	Yes

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M.	Trust funds (including charitable) The council met its responsibilities as a trustee.	N/A
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6. Auditors & Acknowledgements

Rachel Pullen Finance Manager (RFO)

Sharon Petela Town Clerk

Pat Louca Booking & Finance Officer

Audit Manager	Justine Lawson
Auditor/s	Louis James

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No.	Matter Arising	Associated Risk	Recommendation	Responsible Officer ; Proposed Timescale
Priority: Medium				
1	<p>The Council's bank mandates were reviewed by Internal Audit to ensure they were up-to-date. It was found that two ex-councillors are still named on various bank mandates.</p> <p>The RFO confirmed that the Council are aware of this matter and there has been numerous factors that have delayed this action. This includes the lockdown, the long-term absence of the RFO and various signatories being required to shield during the pandemic.</p>	Potential for unauthorised purchasing.	<p>Recommendation</p> <p>The RFO has confirmed that the delay in removing the ex-councillor names from the bank mandates has not impacted the working or security of Council's finances.</p> <p>However, the Council should endeavour to remove them as soon as possible.</p>	<p>Responsible Officer</p> <p>Town Clerk and RFO</p> <p>Target Implementation Date</p> <p>01/06/2021</p>