

Audit Report

Bradley Stoke Town Council

Audit Plan Year: 2022-2023 In Year Assurance

Audit Status: Audit Completed

Audit Review Date 6th & 7th February 2023

Report Distribution:

Rachel Pullen - Finance Manager / RFO Bradley Stoke Town Council
Sharon Petela - Clerk to Bradley Stoke Town Council

1. Objective

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

2. 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.
Fundamental Weaknesses Identified	The matters arising from the audit identify that there are fundamental weaknesses which place doubt on the reliability of the procedures reviewed. Urgent action is necessary to improve the current situation and reduce risk exposure.

3. Key Strengths

- There are regular quorate meetings of the Full Council and committees, meeting minutes and supporting documentation are available on the Town Council website.
- Budget and precept are discussed regularly at Finance Committee and approved annually and at Full Council. Full budget reports are presented frequently.
- A sample of payments made by the Council have been reviewed. Invoices were available for all; bank transaction payment reports together with monthly approved expenditure documents were retained in the file.
- Annual Health and Safety inspections are conducted by appropriately qualified external professionals.
- Good level of detail of quotes and estimates for high value purchases are presented and discussed within Finance Committee minutes, this is in alignment with the Council’s Financial Regulations.

4. Key Risks

- Incorrect procurement thresholds for tendering could be used in error.

5. Key Actions

- The Town Council’s Standing Orders and Financial Regulations should be updated to reflect the correct and most up to date tendering thresholds and limits which were brought in in January 2022.

6. **Advisory Points**

- Where possible, update the asset register for additions and disposals as they occur throughout the year. This will support the values noted on the insurance schedule and support any insurance claims made.
- Obtain a copy of the public liability insurance documentation for any club or organisation who hire the Town Council’s premises or pitches.
- All signed hire agreements should be returned prior to the commencement of the hire.

One low priority matter has arisen from the audit which is detailed in the Action Plan together with suitable recommendations.

7. **The Control Environment**

Key Control Objectives		Achieved?
A.	Appropriate accounting records have been kept properly throughout the financial year.	Yes
B.	The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Yes
C.	The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes
D.	The precept or rates requirement resulted from an adequate budgetary process; progress against the 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.	N/A
G.	Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, and PAYE and NI requirements were properly applied.	Yes
H.	Asset and investment registers were complete and accurate and properly maintained.	Test at year end
I	Periodic bank account reconciliations were properly carried out during the year.	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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Test at year end
K	Councils with turnover of below £25,000. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick “not covered”).</i>	Not currently applicable to any SGC clients.
L	The authority publishes information on a free to access website / webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements.	Not covered

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M	The authority, during the previous year (2021-22) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and / or authority approved minutes confirming the dates set).</i>	Yes
N	The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	Yes
O	Trust funds (including charitable) - The council met its responsibilities as a trustee.	N/A

8. Auditors & Acknowledgements

Audit Manager	Emily Carvell
Auditor/s	Rachel Massey

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No.	Matter Arising	Associated Risk	Recommendation	Responsible Officer ; Proposed Timescale
Priority: Low				
1	<p>Procurement Thresholds</p> <p>The thresholds noted in the Standing Orders & Financial Regulations do not reflect the changes to procurement thresholds in Procurement Policy Note 10/21, applicable from 1st January 2022.</p> <p><i>In addition, Procurement Policy Note 08/20 shall also apply in respect of advertising such contracts of work on the Find a Tender website in line with the up to-date published Government guidance.</i></p>	<p>Incorrect thresholds for tendering could be used in error.</p>	<p>The Town Council’s Standing Orders and Financial Regulations should be updated to reflect the correct and most up to date tendering thresholds and limits.</p> <p>As of 1st January 2022, thresholds have increased to £213,477 for public supply and service contracts, and £5,336,937 for public works contracts.</p> <p>Awareness should be maintained for any future updates to thresholds, and these should be updated in the Standing Orders and Financial Regulations when they occur.</p> <p>Procurement Policy Note 10/21 – Thresholds and Inclusion of VAT - GOV.UK (www.gov.uk)</p>	<p>Responsible Officer</p> <p>The Clerk</p> <p>Target Implementation Date</p> <p>14/04/2023</p>