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Mrs D Tremlett  
Parish Clerk to Locking Parish Council  
Village Hall,  
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BS24 8AR

14 June 2024

Dear Dawn

## **LOCKING PARISH COUNCIL**

### **Internal audit report - Year ended 31 March 2024**

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 2023-24 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)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for four years to 2026-27 on 7 September 2023.

My final internal audit review for 2023-24 were carried out on 14 June 2024.

## **Background**

Locking Parish Council had income and expenditure of between £100,000 and £200,000 in 2022-23 and is subject to review by the external auditor, BDO LLP. The Council had a clean annual report from the external auditor for 2022-23.

The Council is not a sole managing trustee.

The Council is not required to comply with either Transparency Code as it's income and expenditure falls between the thresholds for which either of the Transparency Codes apply.

The Council's accounting records are maintained on Scribe.

## **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 at the visit.

During these visits I checked the following:

- Minutes of Council Meetings
- Bank and cash
- Income
- Expenditure
- Payroll
- Asset register
- Action taken on the recommendations in this 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**

- The Council maintains its books and records on Scribe software
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly 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 Finance Committee takes an active scrutiny role
- Bank reconciliations are prepared accurately and regularly
- Details of all payments authorised at meetings are recorded in the minutes

## **Good practice – continued**

- All payment vouchers tested were evidenced as approved
- All allotment holders have signed tenancy agreements
- HMRC Toolkit is used for the payroll
- All eligible employees have either been auto-enrolled in a pension scheme or have opted out in writing
- All employees have contracts of employment
- VAT claims are made regularly
- The risk assessment has been adopted during the year

## **Recommendations**

### ***Policies and procedures***

- The Standing Orders and Financial Regulations were updated in April and June 2024 respectively. The new model Financial Regulations were adopted. The Standing Orders have not had the threshold over which contracts must be competitively purchased increased in line with the most recent amendments to the Public Contracts Regulations 2015.

SI 2022 No 1390 - Amendments to the Public Contract Regulations 2015 came into force on 21 December 2022 and increases the threshold set out in Section 109 2c) ii) over which contracts must be competitively purchased from £25,000 to £30,000.

The Council should review and update the Standing Orders and ensure the correct thresholds are referred to.

- The Council must ratify and minute its decision to use Cllr Mike Tremlett to prepare the plans for the alterations to the GP room.

### ***Recommendation from my report dated 2 April 2024***

#### ***Budgets and reserves***

- The recording of the budgeting process and setting of the precept, in the minutes of meetings and on the budgeting documentation itself could be improved to show more clearly the decision making process behind the precept that is set. This should include the source of funding such as earmarked reserves, or grant income or precept, and the process should be linked to the Councils Reserve policy to ensure general reserves are maintained at an adequate, but not excessive level. The Council should consider this for the 2025-26 budget setting.

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

- The Annual Internal Audit Report was completed with positive responses to all relevant objectives.
- Question 11a on the Annual Accounting Statement must be completed with "No"

**Conclusion**

Based on the tests I have carried out at this internal audit visit, in my view, the internal control procedures in operation are adequate to meet the needs of Locking 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 handwritten signature in blue ink, appearing to read 'Bridget Bowen', written in a cursive style.

Bridget Bowen FCA

Internal auditor