



Bradford Trident Community Council Internal Audit Report

Financial Year Ending 31st March 2024

Date of Internal Audit: 14th June 2024
Prepared by: Internal Audit Yorkshire

Date Report Issued: 14th June 2024
Internal Auditor: Ms Safia Kauser

Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

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Statement of Responsibility

1.1 Background

The Accounts and Audit Regulations 2015; 5 (1) require a relevant authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.' The Governance and Accountability Practitioners Guide is regarded as the 'non-statutory' guidance referred to within the above act. A copy of the guide is available from the National Association of Local Councils website. Smaller authorities in England must complete an Annual Return and an Annual Governance Statement to the public. The Annual Return must be submitted to the external auditor within the statutory deadline of 30 June.

1.2 Purpose of Internal Audit

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal auditing tests the continuing existence and adequacy of the authority's internal controls. The internal audit function must be independent from the management of the financial controls and procedures of the authority which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the authority. It results in an annual assurance report to members designed to improve effectiveness and efficiency of the activities and operating procedures under the authority's control. Managing the authority's internal controls is a day-to-day function of the authority's staff and management, and not the responsibility of internal audit.

1.3 Responsibility

The internal audit work was undertaken in accordance with the agreed scope of assignment and in accordance with the letter of engagement. The council as a corporate body is responsible for ensuring that council business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for. This report and findings are based on the information that was made available during the course of the audit. The matters raised in this report should not be read as a comprehensive statement of all the weaknesses identified or all improvements to be made. Internal Audit work should not be relied upon to identify all circumstances of fraud and irregularity, should there be any. Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

1.4 Our Objectives & Programme of Work

Our work during the audit has enabled us to reach the judgements on the internal control objectives in the Annual Internal Audit Report which forms part of the Councils Annual Governance and Accountability Return [AGAR] on whether, in all significant aspects, the control objectives were being achieved throughout the year to an adequate standard. Negative responses (if any) are supported by the findings in the internal audit report. Where the response is negative, the council is required to explain to the external auditor the corrective action being taken to address the weaknesses in the control identified. The Internal audit report should inform the authority's responses to Assertions 2 and 6 in the Annual Governance Statement that forms part of the Annual Governance and Accountability Return [AGAR]. This internal audit report should therefore be made available to support and inform members considering the authority's approval of the annual governance statement.

The Council

1.1 Bradford Trident Community Council

Bradford Trident Community Council was established in 2009, as the first Urban Parish Council in Bradford district. We are informed that the twelve Community Councillors represent the Marshfields, Ripley, Holme Top, Woodroyd, Parkside and Melbourne neighbourhoods within BD5 and represent the views of local people. The principal authority for the area is Bradford Metropolitan District Council. Councillors are elected on a four-year term and the recent elections were held in May 2023 where seven councillors were elected uncontested, two councillors appointed via co-option and the remaining three vacancies that remain unfilled. The council is supported by a part-time Parish Clerk whom is also the councils Responsible Financial Officer.

1.2 We are informed that when the Parish Council was formed in 2009, a public meeting was held and a pledge was made by the Parish Council at the time that they would not raise a parish precept. The councils main source of annual funding of £20,000 is received from Bradford Trident Limited which is a registered charity which has charitable purposes to benefit the public within and around the BD5 area. The Clerk/RFO has informed us that it is a condition of the funding that £10,000 is to be allocated towards the provision of grant funding within the Parish and the remaining £10,000 is allocated towards the Parish Council's running costs.

1.3 Internal Control objectives F, K and O were not applicable to the Parish Council.

1.4 It is noted that although the councils receipts and payments are less than £25,000 and the council have opted to have an external audit.

1.5 We would like to thank the Parish Clerk and RFO Mohammed Rafiq for all his help and assistance with the audit.

Internal Audit Findings and Recommendations

Accounting Records

Internal Control Objective A: Appropriate accounting records have been kept properly throughout the year.

Aim: To provide assurance that the books of account have been properly kept throughout the year and that data input controls are accurate.

Internal Audit Testing	Compliance	Comments / Recommendations
Has the council appointed a Responsible Financial Officer (RFO)?	Yes	The council are required to appoint an officer to be responsible for the financial administration of the authority in accordance with section 151 of the Local Government Act 1972. We understand that the role of the Responsible Financial Officer is held by the Parish Clerk who holds a dual role and this was evidenced within the contract of employment. .
Has the Responsible Financial Officer (RFO) determined a form of accounting and supporting records which have been maintained throughout the year?	Yes	The cash book is the main focus for the day-to-day accounting and balancing off and reconciliation to the bank statement, and remains the most important control over the accounting system. The accounts are maintained on an excel spreadsheet which corresponds to the one HSBC bank account held by the Council. 1) HSBC – Charitable Bank Account
Do the accounting records contain entries from day to day of all sums of money received and expended by the council? Is the arithmetic correct?	Yes	The cashbook recorded all receipts and payments in date order. The cashbook was found to be up to date. A sample of invoices were selected to review against the cashbook data and bank statement for arithmetic and data input accuracy. No issues were identified from the sample selected. We note that the RFO operates with a second spreadsheet which records the receipts and payments against budget allocation and a VAT breakdown. We would recommend that improvements are made to the cashbook to incorporate this data as this is the councils primary accounting record and this can reduce the risk of any data input entry. We would also recommend that the cashbook includes a column to record a reference/voucher number to correspond with the transaction receipt/invoice. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>RECOMMENDATION 1:</p> <p>That improvements are made to the main cashbook to record a breakdown of the Net and VAT breakdown, voucher reference to correspond with the transaction and budget allocation for coding purposes.</p> </div>

Do the previous year's annual return figures agree with the current year's opening balances in the cash book?	Yes	The opening balance at the 01 st April 2023 was £27,305 (box 7 at the 31 st March 2023). This figure corresponded to the opening cashbook balance which was recorded as £27,305.49. The opening bank balance as at 01 st April 2023 was £27,947.12. We are informed that the difference related to uncleared cheques as at 31 st March 2023.
Internal Audit Response		Yes

Payment Controls [Standing Orders – Financial Regulations – Expenditure Testing & VAT]

Internal Control Objective B: This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Aim: To provide assurance that Standing Orders, Financial Regulations and Appropriate payment controls (payments supported by invoices, expenditure is approved, VAT is correctly accounted for) are in place and are followed

Internal Audit Testing	Compliance	Comments / Recommendations
<p>Has the Council adopted the Standing Orders and are these in accordance with the latest NALC model?</p>	<p>Yes</p>	<p>A copy of the councils Standing Orders were provided for the purposes of the audit. It is unclear from the face of the cover when these were formally adopted by the council. It would appear that these are based on the latest NALC Model Standing Orders.</p> <div data-bbox="846 643 2136 815" style="border: 1px solid black; padding: 5px;"> <p>RECOMMENDATION 2:</p> <p>That the Standing Orders records the date and minute reference confirming when they were formally adopted by the Council for audit purposes.</p> </div>
<p>Has the Council adopted Financial Regulations and are these up to date with the latest NALC Model? And tailored to the Council?</p>	<p>Yes</p>	<p>Councils need to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the way tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to. We note that the councils Financial Regulations were reviewed and adopted in February 2024 (minute reference 10 meeting date 19.02.2024). A new model of the Financial Regulations has been issued by the National Association of Local Councils [NALC] in May 2024 and we would recommend that the council adopts the latest model and tailors these to the councils requirements.</p> <div data-bbox="846 1150 2130 1323" style="border: 1px solid black; padding: 5px;"> <p>RECOMMENDATION 3:</p> <p>That the council adopts the latest model NALC Financial Regulations [issued in May 2024] and tailors these to the councils requirements.</p> </div>

<p>Are there procedures for formal tenders and quotes consistent with the Standing Orders and Financial Regulations?</p>	<p>See comments</p>	<p>The council is required to have standing orders with respect to procuring and entering into contracts as set out in s.135 of the Local Government Act 1972 Act. The contract values in the Standing Orders and Financial Regulations should correspond to each other. The values for formal tenders exceeding £25,000 was consistent in the Standing Orders and Financial Regulations however the value for formal tenders is out of date following the changes by central government to increase the value to £30,000 inclusive of VAT. Although it is noted that the council may not have to procure for contracts of this value, it should ensure that any regulations adopted are up to date.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>RECOMMENDATION 4:</p> <p>That the Standing Orders and Financial Regulations relating to the Public Contracts Regulations be reviewed to update the value to ‘£30,000 (inclusive of VAT)’ to ensure consistency with the tender value for formal contracts following the amendment by Government on the 21 December 2022 (SI 2022/1390), see link: https://www.legislation.gov.uk/ukSI/2022/1390/made</p> </div>
<p>Are all payments listed in the cashbook supported by invoices, authorised and minuted in accordance with the Financial Regs? Certification of an account stamp used?</p>	<p>See findings</p>	<p><u>Payments Procedure for Ordering Goods and Services</u> The Financial Regulations do not appear to have any internal controls that set out the specific delegated authority for the Clerk or reserved to the Council to purchase goods and services. The model internal controls are set out in the latest Model of the Financial Regulations and we would recommend that the council considers adopting these and tailoring them to the councils requirements.</p> <p><u>Invoices authorised for Payment</u> The current Financial Regulations 6.2 require all invoices for payment to be agendered and approved for payment by a majority of the members present and voting at the meeting.</p> <p><u>Expenditure Testing – Findings</u> The council minutes for the full year were reviewed and we found that the council routinely receives a list of payments authorised by the Clerk under the Clerks delegated authority which are recorded in the minutes. However we found that there is no specific authority set out in the Financial Regulations that authorises the payment of invoices under delegated authority. The council need to ensure that the once the new model Financial Regulations are adopted, the model clause relating to the authorisation of invoices under delegated authority is retained in the Financial Regulations and tailored accordingly to the councils requirements (should the council wish to proceed on this basis).</p> <p><u>Grant Awards –</u> It is noted that grant awards are made on completion of a grant form and supporting documentation which are reviewed by council members and recorded in the council minutes. The</p>

		<p>Clerk/RFO has confirmed that following receipt of the grant awards, applicants are requested to submit copies of receipts/expenditure for audit purposes.</p> <p>Authorisation Stamp – There does not appear to any formal use of an authorisation stamp to evidence the payment controls checks and record the detail for the authority to purchase goods and services, purchase order/letter (if applicable), authorisation reference for instructions for payment. Recording this level of detail can provide evidence of payment control checks for audit purposes which can be tracked back to where the payment originated from. Following a review of the invoices we found that the payment date, cheque number and signatory was evidenced on the face of the invoices.</p> <p>RECOMMENDATION 5:</p> <p>That the new Model Financial Regulations (once adopted by the council) include the model controls for the authority to incur expenditure (tailored to the councils requirements), and delegation of payments made by the RFO under delegated authority (subject to the payments being reported at the next council meeting).</p> <p>RECOMMENDATION 6:</p> <p>That an authorisation stamp be used to evidence the payment control checks which can be tracked back to where the payment originated from.</p>
<p>Is there a segregation of duties between writing cheques and/or setting up online payments and physical release of payments? Do the instructions for the payment of invoices comply with the Financial Regulations?</p>	<p>Yes</p>	<p><u>Cheque Payments</u> The council operate with cheque payments. Financial Regulation 6.3 requires cheques drawn on account to be signed by two signatories. The RFO has confirmed that two signatories are required for all cheques and there are a total of five councillors on the bank mandate. Following a review of the minutes, we have noted that the council have reviewed the bank mandate throughout the year which has involved signatories to be removed and added to the accounts.</p> <p><u>Online Payments</u> The council does not operate with online banking payments.</p> <p>RECOMMENDATION 7:</p> <p>That consideration be given to online payments and dual authorisation (model controls are set out in the new Model Financial Regulations (issued in May 2024)).</p>

Does the council have any direct debits or Standing Orders in place? Have these been reviewed in accordance with the Financial Regulations?	Not applicable	The councils Financial Regulations do not have any internal controls to manage payments made on a direct debit or Standing Order arrangement. Following a review of the bank statements we note that the council does not have any payments on this arrangement with the exception of monthly banking charges which are automatically deducted by the banking provider.
Is VAT correctly recorded in the cashbook and linked to invoices?	Yes	Following a selection of payments selected for audit, we found that the VAT is linked to the invoices and was appropriately recorded with the exception of one payment of £39.99 which included VAT of £6.66 which was not recorded in the VAT column (cheque number 101156 – reimbursement to Clerk/RFO). It is noted that the invoice was addressed to the Community Council.
VAT evidence, recording and reclaim?	Yes	There are no internal controls within the Financial Regulations relating to VAT reclaim. It is normally is requirement of the model Financial Regulations that the RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end. A copy of the VAT return was provided and the reclaim had been submitted to HMRC covering the period from 01 st April 2023 to 31 st March 2024 to coincide with the financial year-end. We would recommend that the next VAT return includes the claim for £6.66.
Internal Audit Response:		Yes

Risk Management

Internal Control Objective C: This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Aim: To obtain assurance that risk management arrangements are adequate to manage all identified risks.

Internal Audit Testing	Compliance	Comments / Recommendations
Annual risk assessment carried out? Does this include all financial and non-financial risks? <i>*To be formally adopted at least annually</i>	Yes	Risks are uncertain events or conditions (not just financial) that if they occur, will affect the authority's ability to achieve its objectives. The authority generally, and members individually are responsible for risk management. Typical categories of risks include: <ul style="list-style-type: none"> ● financial – loss of money; ● security – fraud, theft, embezzlement; ● property – damage to property; ● legal – breaking the law or being sued; ● IT – failure of IT systems or misuse or data loss; and ● reputational – actions taken could harm the authority's public reputation.

		<p>Risks are unavoidable, but they need to be managed either by mitigation or controls such that they are tolerated, treated, transferred or terminated.</p> <p>The council minutes for the full financial year were reviewed. We note that a financial risk assessment was adopted at the council meeting held on the 19th February 2024 (minute reference 10). The financial risk register was found to be adequate to meet the needs of the council however we note that it does not include any non-financial related risks and we would recommend that improvements are made to the risk register to incorporate these risks and appropriate controls to manage or mitigate the level of risk.</p> <div style="border: 1px solid black; padding: 5px;"> <p>RECOMMENDATION 8:</p> <p>That the councils risk register includes non-financial related risks. Further guidance on risk management is available on page 44 of the Governance and Accountability Practitioners Guide (see example of risk register on page 65) : see link to guide file (nalc.gov.uk)</p> </div>
<p>Is there appropriate arrangements in place for the monitoring of play areas, open spaces and sports pitches?</p>	<p>Not Applicable</p>	<p>The council is not responsible for any monitoring of play areas, open spaces or sports pitches.</p>
<p>Is there appropriate levels of cover in place for land, buildings, public, employers' and hirers (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security?</p>	<p>See findings</p>	<p>The councils insurance policy was in place with Zurich Municipal. A review of the policy found that the main insurable risks of Public Liability, Employers Liability, insured list of assets, fidelity guarantee, legal expenses and personal accident was in place. We could not find any cover in place for officers or officials indemnity. This type of cover is essential for legal liability claims arising from financial loss as a result of a negligent act, error or omission committed in good faith by an employee of the council. For example should a councillor or Clerk offer advice or an opinion that, when acted upon, results in financial loss for a third party, this cover will indemnify the local Council and protect the Councillor or Clerk from being liable.</p> <div style="border: 1px solid black; padding: 5px;"> <p>RECOMMENDATION 9:</p> <p>That the council reviews the insurance cover to ensure that there is cover in place for officials indemnity (Officers and Members) or that appropriate cover is taken out.</p> </div>

<p>Has the council carried out a review of the effectiveness of internal controls?</p>	<p>No</p>	<p>Regulation 6 of the Accounts and Audit Regulations 2015 requires the council to conduct each financial year a review of the effectiveness of the system of internal control. The review assists the council to respond to the Annual Governance Statement, Assertion two.</p> <p>The councils Financial Risk Register item 9 refers to internal controls. This states that <i>'The council has established a system of internal control and set criteria for the appointed councillors to work to. Three councillors are appointed at the annual meeting to undertake the internal control checks throughout the year as agreed in the council's policy (see Financial Regulations)'</i>.</p> <p>We reviewed the minutes for the full year including the annual council minutes from the meeting held on the 23rd May 2023 and we could not find any evidence of councillors appointed to undertake the review of the internal control checks. A model template checklist is available from the Yorkshire Local Councils Association and we would recommend that the checks are carried out by members who are not a signatory to the accounts and that the outcome of the review and any subsequent actions arising are formally documented in the council minutes as evidence of the review.</p> <div data-bbox="848 668 2125 935" style="border: 1px solid black; padding: 10px;"> <p>RECOMMENDATION 10:</p> <p>That the council ensures that it carries out a review of the effectiveness of internal controls at least once each financial year to comply with Regulation 6 of the Accounts and Audit Regulation 2015 and that the outcome of the review be formally reported to council and documented in the council minutes with any agreed actions resolved by the council.</p> </div>
<p>Internal Audit Response:</p>		<p>No – Due to the council not carrying out a review of the effectiveness of internal control checks to comply with Regulation 6 of the Accounts and Audit Regulations 2015.</p>

Budgetary Controls And Financial Health

Internal Control Objective D: The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Aim: Verify the annual precept request is the result of a proper budget process, that budget progress has been regularly monitored and the Councils reserves are appropriate.

Internal Audit Testing	Compliance	Comments / Recommendations
<p>Is there an annual budget to support precept? Has the budget been discussed and adopted by council? Is the precept demand correctly recorded in the minutes?</p>	<p>See comments</p>	<p>The key stages of the budgeting process are set out in the Practitioners Guide, These include:</p> <ul style="list-style-type: none"> ● deciding the form and level of detail of the budget; ● reviewing the current year budget and spending; ● determining the cost of spending plans; ● assessing levels of income; ● bringing together spending and income plans; ● providing for contingencies and consider the need for general and earmarked reserves; ● approving the budget; ● confirming and submitting the precept or rates and special levies <p>A review of the minutes found that the councils budget and precept was considered at the meeting held on the 19th February 2024 (minute reference 9). The budget document was found to be adequate to meet the needs of the council and included a three year forecast. We would recommend that the minutes confirm that the council has agreed not to set a precept for the following financial year for audit purposes. Additionally, we would recommend that the councils budget document demonstrates the overall financial position of the council showing the opening balance, projected year end balance and the level of income required for the following financial year. This can assist with identifying any surplus in funds or any earmarked funding to be retained for grant purposes in consultation with Bradford Trident Limited who provide the council with the funding of £20,000 per financial year.</p>
<p>Is the budget against spend comparisons provided regularly to the Council? I.e. quarterly basis? Any unexpected variances?</p>	<p>No</p>	<p>The Financial Regulations 3.1 require the RFO to periodically provide the council with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets. A review of the minutes found that whilst bank balances are routinely reported to each council meeting, there is no confirmation in the minutes that budget monitoring reports showing the actual year to date expenditure against the agreed budget are routinely reported to council meetings.</p>

		<p>The proper practices as per Governance & Accountability Practitioners Guide states that reviewing the budget against actual expenditure at least quarterly gives members an early warning about the likelihood of a shortfall (or surplus) and helps them to decide what to do.</p> <p>RECOMMENDATION 11:</p> <p>That budget monitoring reports showing the actual income/expenditure to date against the agreed budget are provided to council members at least once in each quarter.</p>
Level of reserves within Proper Practice? I.e. between 3 and 12 months running costs. Review earmarked reserves.	See comments	<p>The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances. The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of <u>net revenue expenditure</u>. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.</p> <p>We found that the council had not identified the level of general reserves throughout the year or as part of the budget setting process. We note that the council has finished up with £29,623.07 at the 31st March 2024 (as per bank reconciliation) which we conclude is the balance remaining for the general reserves however it is unclear if the balance includes any earmarked reserves. The council need to ensure that any surplus is correctly earmarked following any conditions agreed with Bradford Trident Limited who provide the main source of income to the Parish Council.</p>
Internal Audit Response:		Yes

Income Controls Including The Precept

Internal Control Objective E: Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for

Aim: Obtain assurance that income controls are in place and operating effectively.

Internal Audit Testing	Compliance	Comments / Recommendations
Does the precept approved agree to the Council Tax authority's notification and has this been received and banked?	Not Applicable	The council do not raise a precept (refer to our comments on page 3).

Does the council receive any other income in addition to the precept? Is the income properly recorded and banked?	Yes	The councils main income stream relates to annual funding of £20,000 received from Bradford Trident Limited. The invoices were reviewed and these could not be directly corresponded to the pay dates/pay period. It is noted that the following payments were received from Bradford Trident Limited: <ul style="list-style-type: none"> • £2,500 – 17th July 2023 • £2,500 – 31st July 2023 • £5,000 – 16th August 2023 • £10,000 – 14th November 2023
Has the council correctly invoiced for any sales and is the correct rate of VAT applied? (if applicable)	Not applicable	This is not applicable to the Parish Council.
Internal Audit Response		Yes

Payroll Controls & Members Allowances

Internal Control Objective 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.

Aim: Obtain assurance that payroll costs are supported by employment contracts, expenditure is approved and PAYE/NIC is properly operated. Review Members Allowances to ensure PAYE and NI requirements are met.

Internal Audit Testing	Compliance	Comments / Recommendation
Is there a contract of employment for the Clerk/RFO and all employed staff? Has the Council approved the salaries paid? Do the salary records correspond with the pay points agreed by the Council? Is the Tax and NI contributions paid within the expected parameters to HMRC?	See findings	<p>The payroll is outsourced to Bradford CPA.</p> <p>The contract of employment was reviewed. We note that the council agreed salary changes to SCP Pay Point 6 at the council meeting held on the 11th December 2023 (minute reference 9). The council need to ensure that where changes have been made to a contract clause for example salaries, a confirmatory letter should be issued by the employer to the employee and a copy should be appended to the original contract of employment for audit purposes. We carried out payroll testing to confirm that the gross pay calculated with the rate agreed as per contract of employment for the payroll period for February 2024. We found that the pay rates did not correspond to the gross pay calculations representing an underpayment. A copy of the March 2024 payroll was reviewed and this was found to include some back-pay. We discussed this area with the Clerk/RFO during the audit who agreed to review these calculations and follow up with payroll if necessary.</p> <p><u>Tax & NI Contributions</u> These were found to be paid by the payroll directly to HMRC.</p>

		<p>RECOMMENDATION 12:</p> <p>That a confirmatory letter be issued to the employee to confirm any changes from the original contract of employment. A copy should be issued to the post-holder and a copy appended to the original contract of employment.</p> <p>RECOMMENDATION 13:</p> <p>That monthly salary payments are reviewed by the council to ensure that the correct calculations are applied and to comply with the requirements of Financial Regulation 8.1.</p> <p><u>Pension Payments</u> The council reviewed the auto-enrolment requirements following notification from the payroll provider. We note that the employee will be auto-enrolled into the NEST pension scheme.</p>
Are allowances paid to members and paid via the payroll and/or other arrangements?	Not Applicable	Members do not receive an allowance. The Chairman does not receive a Chairmans allowance.
Internal Audit Response:		Yes – we have ticked 'yes' to this internal control objective due to the council retrospectively approving the salary payments (as recorded in the council minutes).

Asset And Investment Registers

Objective H : Asset and investments registers were complete and accurate and properly maintained

Aim: To provide assurance that all material assets are accounted for correctly

Internal Audit Testing	Compliance	Comments / Recommendations
Does the council keep a register of all material assets owned? Is asset register up to date?	Yes	<p>The key information needed in the asset register is the date of acquisition, cost of acquisition, useful life estimate and location.</p> <p>A copy of an asset register was provided and this recorded 4 items and one disposal to the value of £589.20. The council need to ensure that asset disposals are formally documented in the council minutes with details of the disposal method for audit purposes and that a disposals register is created to tracks changes in asset values.</p>

The value reported in box 9 of the AGAR at the 31st March 2023 was £6,881
 The value reported in box 9 of the AGAR at the 31st March 2024 was £6,292

RECOMMENDATION 14:

That the asset register includes a disposal register which includes the asset details, cost, disposal method, disposal value, and council minute reference for audit and tracking purposes.

Internal Audit Response: Yes

Periodic Bank Reconciliations

Objective I : Periodic and year-end bank account reconciliations were properly carried out.

Aim: To provide assurance that bank reconciliations were carried out on a regular basis and reported to Council.

Internal Audit Testing	Compliance	Comments / Recommendations
<p>Are bank reconciliations carried out for each account and are these reported to council members? Are these independently signed off by members and recorded in the minutes?</p>	<p>See findings</p>	<p>The councils Financial Regulations do not include any controls for the reporting of bank reconciliations. It is a requirement of the model financial regulations that at least once in each quarter, and at each financial year end, a member other than the Chairman shall be all be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exception, to and noted by the council.</p> <p>A review of the minutes found that the although the council receives a financial report from the RFO including the bank balances to date; there is no formal receipt or scrutiny of the bank reconciliation or bank statements by council members for audit purposes. We note that the RFO produced bank reconciliations on receipts of a bank statement and copies were provided during the audit, however we would recommend that these are formally reported to council members and reviewed against the original bank statements and that this activity is recorded in the council minutes.</p> <p>RECOMMENDATION 15:</p> <p>That bank reconciliation statements are provided to council members at least once in each quarter and that the verification of the bank reconciliation statement against the original bank statements be recorded in the council minutes. The council should ensure that when adopting the new model Financial Regulations, that these controls remain adopted and tailored to the councils requirements.</p>

Bank Reconciliation to the 31 March?	Yes	The bank reconciliation statement balances were verified against the cashbook balance and the bank statement balance and no issues were identified. The year end bank balances held at the 31 st March 2024 have been included for narrative purposes: 1) £30,257.47 – HSBC bank balance as at 31 st March 2024 – verified against the bank statement -£634.40 – Unrepresented cheques £29,623.07 - (cashbook balance) – as per bank reconciliation balance – corresponds to the value reported in box 8 of the AGAR accounting statement.
Internal Audit Response		Yes

Accounting Statements

Internal Control Objective 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.

Aim: Obtain assurance that accounts prepared on correct statements (income and expenditure, debtors and creditors, over £200,000) or (summary receipts and payments, under £200,000) and that working papers can be followed through to final document

Internal Audit Testing	Compliance	Comments / Recommendations
Year-end accounts prepared on correct accounting basis? Is there an underlying financial trail from records to presented accounts?	Yes	The internal auditor is required to verify that the detail recorded in the accounting statements reflects the detail in the accounting records maintained for the financial year. This does not require the internal auditor to verify the detail disclosed in the accounting statements. The accounting statements were presented on a receipts and payments basis. The amounts reported in the AGAR accounting statements were supported by underlying financial records from the cashbooks.
Do the Bank statements and ledger reconcile at 31 March?	Yes	See findings above.
Is the explanation of significant variances from completed? Explanations are now required for all variances of £100,000 or more regardless of the % variance. All responses should comprise both narrative and numerical explanations.	No	This is part of the submission requirements for external audit. The Clerk/RFO is aware to submit this form for external audit.
Internal Audit Response:		Yes

Legislative Publication Requirements

Internal Control Objective L: The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.

Aim: Obtain assurance that the council has complied with the publication of the AGAR for the last five years; compliance with the Local Government Data Transparency Code and Freedom of Information Act, Publication Scheme.

Note: The auditing requirements in the practitioners guide are not entirely clear that provide the guidance relating to objective L that has changed for the 2022-23 financial year. Therefore testing has been carried out to seek assurance on the publication requirements of the Accounts and Audit Regulations 2015 - Section 13 (2) (b) to ensure that Councils display the AGARs for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website and compliance with the Local Government Data Transparency Code (if applicable).

Internal Audit Testing	Compliance	Comments / Recommendations
<p>Publication Requirements in accordance with the Local Government Data Transparency Code (This code has been issued in accordance with Local Government, Planning and Land Act 1980, Section 3)</p> <ul style="list-style-type: none"> ➤ Transparency Code for smaller authorities ie: annual turnover not exceeding £25,000 	<p>See Findings</p>	<p>The council must comply with the Local Government Data Transparency Code as the councils turnover is less than £25,000. A copy of the code is available via the link:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf</p> </div> <p>See findings below regarding the Transparency Code. Audit testing was carried out using the data published on the following webpages:</p> <ul style="list-style-type: none"> • https://bradfordtrident.co.uk/get-involved/community-council/ • https://bradfordtrident.co.uk/get-involved/community-council/finances/ • https://bradfordtrident.co.uk/get-involved/community-council/meet-the-council/
<p>Annual publication of all items of expenditure above £100?</p> <p>Publish details of each individual item of expenditure. Copies of all books, deeds, contracts, bills, vouchers, receipts and other related documents do not need to be published but should remain available for inspection. For each individual item of expenditure the following information must be published:</p> <p>a. date the expenditure was incurred,</p>	<p>No</p>	<p>A review was undertaken on the Finance page and this data could not be located.</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>RECOMMENDATION 16:</p> <p>That the council annually publishes all expenditure exceeding £100.00 no later than 01st July 2024. For each item the following must be published:</p> <ul style="list-style-type: none"> a. date the expenditure was incurred, b. summary of the purpose of the expenditure, c. amount, and d. Value Added Tax that cannot be recovered. </div>

<p>b. summary of the purpose of the expenditure, c. amount, and d. Value Added Tax that cannot be recovered.</p>		
<p>Annual publication – Annual end of year accounts?</p> <p>Publish signed statement of accounts according to the format included in the Annual Return form. It should be accompanied by:</p> <p>a. a copy of the bank reconciliation for the relevant financial year, b. an explanation of any significant variances (e.g. more than 10-15 percent) in the statement of accounts for the relevant year and previous year, and c. an explanation of any differences between ‘balances carried forward’ and ‘total cash and short term investments’, if applicable.</p>	<p>See findings</p>	<p>Publication of the AGAR:</p> <ul style="list-style-type: none"> - Section 2 – Signed Accounting Statement – Yes – see link: BTCC-Annual-Return-for-the-year-Ended-31-March-2023-AGAR.pdf (bradfordtrident.co.uk) <p>A) Bank Reconciliation for the 2023/2024 financial year – No – this information could not be found on the website.</p> <p>B) Explanation of any Significant Variances – No – this information could not be found on the website.</p> <p>C) Not applicable.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>RECOMMENDATION 17:</p> <p>That the council publishes the bank reconciliation statement for the 2023/2024 financial year no later than 01st July 2024 and the explanation of any significant variances.</p> </div>
<p>Annual Governance Statement?</p> <p>Publish signed annual governance statement according to the format included in the Annual Return form. Explain any negative responses to governance statements, including how any weaknesses will be addressed.</p>	<p>See findings</p>	<p>The annual governance statement for the 2022/2023 financial year was found to be published. See link: BTCC-Annual-Return-for-the-year-Ended-31-March-2023-AGAR.pdf (bradfordtrident.co.uk).</p> <p>It is noted that there were no negative responses to the annual governance statement. The council will need to ensure that the annual governance statement for the 2023/2024 financial year is published on the website no later than 01st July 2024.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>RECOMMENDATION 18:</p> <p>That the council publishes the annual governance statement with an explanation of any negative responses to the annual governance statement no later than 01st July 2024.</p> </div>

<p>Internal Audit Report?</p> <p>Publish signed internal audit report according to the format included in the Annual Return form. Explain any negative response to the internal controls objectives, including how any weaknesses will be addressed. Explain any 'not covered' responses to internal controls objectives.</p>	<p>See Findings</p>	<p>The AGAR internal audit report could not be found on the website for the 2022/2023 financial year. The council will need to ensure that the AGAR internal audit report for the 2023/2024 financial year is published no later than 01st July 2024 along with any explanations of how any weaknesses will be addressed.</p> <div data-bbox="846 284 2123 483" style="border: 1px solid black; padding: 5px;"> <p>RECOMMENDATION 19:</p> <p>That the council publishes the signed AGAR internal audit report for the 2023/2024 financial year no later than 01st July 2024 along with any explanations of how any weaknesses will be addressed.</p> </div>
<p>List of councillor or member responsibilities?</p> <p>Annual publication of councillor or member responsibilities including:</p> <ul style="list-style-type: none"> a) names of all councillors or members, b) committee or board membership and function (if Chairman or Vice-Chairman), and c) representation on external local public bodies (if nominated to represent the authority or board). 	<p>See findings</p>	<p>Review carried out against the data on the meet the council page – see link: https://bradfordtrident.co.uk/get-involved/community-council/meet-the-council/</p> <ul style="list-style-type: none"> a) Names of all councillors or members: These were found to be published on the website but were not up to date to include details of co-opted members. b) Committee or board membership and function (if Chairman or Vice-Chairman) – The details for the Chairman was found to be published on the website. c) Representation on external local public bodies (if nominated to represent the authority or board) – No details were found to be published. We are informed that there is council representation on the Bradford Trident limited board. <div data-bbox="846 1038 2123 1238" style="border: 1px solid black; padding: 5px;"> <p>RECOMMENDATION 20:</p> <p>That the council updates/publishes the list of councillor or member responsibilities to comply with the requirements of the Transparency Code.</p> </div>
<p>Location of public land and building assets? Annual publication details of all public land and building assets.</p>	<p>Not applicable</p>	<p>The council do not own any public land or buildings.</p>

<p>Minutes, agendas and papers of formal meetings?</p> <p>Publication of draft minutes from all formal meetings not later than one month after the meeting has taken place. Publication of meeting agendas and associated meeting papers not later than three clear days before the meeting to which they relate is taking place.</p>	<p>See findings</p>	<p>Review carried out against the data on the following link: https://bradfordtrident.co.uk/get-involved/community-council/</p> <p>The minutes were found not be published on the website. Agendas and meeting papers were published.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>RECOMMENDATION 21:</p> <p>That the council publishes all draft minutes no later than one month after the meeting has taken place to comply with the requirements of the Transparency Code.</p> </div>
<p>Publication of the AGAR for the last five years in accordance with the Accounts and Audit Regulations 2015, section 13 (2)?</p>	<p>Yes</p>	<p>2018-19: Yes – see link: BTCC-Annual-Return-for-Year-Ended-31-March-2019-AGAR-.pdf (bradfordtrident.co.uk)</p> <p>2019-20: Yes – see link: BTCC-Annual-Return-for-Year-Ended-31-March-2020-AGAR-.pdf (bradfordtrident.co.uk)</p> <p>2020-21: Yes – see links: BTCC-Annual-Return-for-the-year-Ended-31-March-2021-AGAR.pdf (bradfordtrident.co.uk); BTCC-External-Auditors-Report.pdf (bradfordtrident.co.uk)</p> <p>2021-22: Yes – see links: Microsoft Word - Document1 (bradfordtrident.co.uk); BTCC-External-Auditors-Report-21-22.pdf (bradfordtrident.co.uk)</p> <p>2022-23: Yes – see links: BTCC-Annual-Return-for-the-year-Ended-31-March-23-AGAR.pdf (bradfordtrident.co.uk); BTCC-External-Auditors-Report-22-23.pdf (bradfordtrident.co.uk)</p>
<p>Freedom of Information Act – Has the Council adopted a Publication Scheme?</p>	<p>No</p>	<p>Following a review from the website, there does not appear to be a Publication scheme adopted.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>RECOMMENDATION 22:</p> <p>That the council adopts a Publication Scheme. A model template is available from the ICO website, see link: https://ico.org.uk/media/for-organisations/documents/definition-documents-2021/templates/4018916/template-parish-councils-20211029.doc</p> </div>
<p>Internal Audit Response:</p>		<p>No</p>

Publication Requirements – Exercise of Public Rights 2022/23

Internal Control Objective M: In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (*during 2023/24 AGAR period, were public rights in relation to the 2022/23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set*).

Aim: Obtain assurance that the Council has advertised the dates for the inspection of public rights correctly.

Internal Audit Testing	Compliance	Comments / Recommendations
Do arrangements for public inspection of council's records exist? Evidence of public inspection notice seen? And website address.	Yes	See link: Notice-of-Public-Rights-2023.pdf (bradfordtrident.co.uk) The dates were found to have been calculated correctly.
Internal Audit Response:		Yes

Publication Requirements for 2022/23 AGAR (previous year)

Internal Control Objective N: The authority has complied with the publication requirements for 2022/23 AGAR (*see AGAR Page 1 Guidance Notes*).

Aim: Review evidence for publication (Form 3): AGAR to be approved and published by 01 July 2022 at the very latest. External Audit Certificate and Conclusion of Audit of Notice to be posted on the council website by 30 September 2023.

Internal Audit Testing	Compliance	Comments / Recommendations
Before 01 July 2023, the authority should have published: a) Notice of the period of exercise rights and a declaration that the accounting statements are as yet unaudited.	Yes	See link: Notice-of-Public-Rights-2023.pdf (bradfordtrident.co.uk)
b) Section 1 the Annual Governance Statement approved and signed page 4	Yes	See link: BTCC-Annual-Return-for-the-year-Ended-31-March-23-AGAR.pdf (bradfordtrident.co.uk) ;

c) Section 2 the Accounting Statements approved and signed page 5	Yes	See link: BTCC-Annual-Return-for-the-year-Ended-31-March-23-AGAR.pdf (bradfordtrident.co.uk) ;
Not Later than the 30 September 2022: d) Notice of conclusion of audit	Yes	See link: BTCC-Notice-of-Conclusion-of-Audit-2022-23.pdf (bradfordtrident.co.uk)
e) Section 3 – External Auditor Report and Certificate	Yes	See link: BTCC-External-Auditors-Report-22-23.pdf (bradfordtrident.co.uk)
f) Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review	NA	Not applicable
Internal Audit Response:		Yes

***Internal control objectives F, K and O were not applicable to the Council.**

No	Recommendation	Page Number	Responsibility	Timescale
1	That improvements are made to the main cashbook to record a breakdown of the Net and VAT breakdown, voucher reference to correspond with the transaction and budget allocation for coding purposes.	4		
2	That the Standing Orders records the date and minute reference confirming when they were formally adopted by the Council for audit purposes.	6		
3	That the council adopts the latest model NALC Financial Regulations [issued in May 2024] and tailors these to the councils requirements.	6		
4	That the Standing Orders and Financial Regulations relating to the Public Contracts Regulations be reviewed to update the value to '£30,000 (inclusive of VAT)' to ensure consistency with the tender value for formal contracts following the amendment by Government on the 21 December 2022 (SI 2022/1390), see link: https://www.legislation.gov.uk/ukSI/2022/1390/made	7		
5	That the new Model Financial Regulations (once adopted by the council) include the model controls for the authority to incur expenditure (tailored to the councils requirements), and delegation of payments made by the RFO under delegated authority (subject to the payments being reported at the next council meeting).	8		
6	That an authorisation stamp be used to evidence the payment control checks which can be tracked back to where the payment originated from.	8		
7	That consideration be given to online payments and dual authorisation (model controls are set out in the new Model Financial Regulations (issued in May 2024).	8		
8	That the councils risk register includes non-financial related risks. Further guidance on risk management is available on page 44 of the Governance and Accountability Practitioners Guide (see example of risk register on page 65) : see link to guide file (nalc.gov.uk)	10		

9	That the council reviews the insurance cover to ensure that there is cover in place for officials indemnity (Officers and Members) or that appropriate cover is taken out.	10		
10	That the council ensures that it carries out a review of the effectiveness of internal controls at least once each financial year to comply with Regulation 6 of the Accounts and Audit Regulation 2015 and that the outcome of the review be formally reported to council and documented in the council minutes with any agreed actions resolved by the council.	11		
11	That budget monitoring reports showing the actual income/expenditure to date against the agreed budget are provided to council members at least once in each quarter.	13		
12	That a confirmatory letter be issued to the employee to confirm any changes from the original contract of employment. A copy should be issued to the post-holder and a copy appended to the original contract of employment.	15		
13	That monthly salary payments are reviewed by the council to ensure that the correct calculations are applied and to comply with the requirements of Financial Regulation 8.1.	15		
14	That the asset register includes a disposal register which includes the asset details, cost, disposal method, disposal value, and council minute reference for audit and tracking purposes.	16		
15	That bank reconciliation statements are provided to council members at least once in each quarter and that the verification of the bank reconciliation statement against the original bank statements be recorded in the council minutes. The council should ensure that when adopting the new model Financial Regulations, that these controls remain adopted and tailored to the councils requirements.	16		
16	That the council annually publishes all expenditure exceeding £100.00 no later than 01 st July 2024. For each item the following must be published: a. date the expenditure was incurred, b. summary of the purpose of the expenditure, c. amount, and d. Value Added Tax that cannot be recovered.	18		

17	That the council publishes the bank reconciliation statement for the 2023/2024 financial year no later than 01 st July 2024 and the explanation of any significant variances.	19		
18	That the council publishes the annual governance statement with an explanation of any negative responses to the annual governance statement no later than 01 st July 2024.	19		
19	That the council publishes the signed AGAR internal audit report for the 2023/2024 financial year no later than 01 st July 2024 along with any explanations of how any weaknesses will be addressed.	20		
20	That the council updates/publishes the list of councillor or member responsibilities to comply with the requirements of the Transparency Code.	20		
21	That the council publishes all draft minutes no later than one month after the meeting has taken place to comply with the requirements of the Transparency Code.	21		
22	That the council adopts a Publication Scheme. A model template is available from the ICO website, see link: https://ico.org.uk/media/for-organisations/documents/definition-documents-2021/templates/4018916/template-parish-councils-20211029.doc	21		

-----End of Report -----