

CONTINUED – PAGES 68 TO 77 OF THE

MINUTES OF THE JUNE PART I FINANCE, AUDIT & PERSONNEL MEETING
OF BIRCHWOOD TOWN COUNCIL,
HELD AT PARKERS FARM
ON TUESDAY 28TH JUNE 2022, 6PM

Payment of Accounts:							
Resolved: that the following payments be approved as the residual April 2022 and part of the May 2022 accounts							
Date	Ref	Payee	Description	Net	VAT	Gross	
19.04.2022	DD	Financial Direct Fees	Online banking charges	£ 10.53	£ 31.67	£ 42.20	
20.04.2022	DD	Avoira (formerly Yellow bus)	IT support, backups, internet services (4 x inv.)	£ 232.30	£ 46.46	£ 278.76	
20.04.2022	DD	Avanti Gas	Gas - Parkers Farm	£ 118.79	£ 5.94	£ 124.73	
20.04.2022	DD	Allstar	Fuel (office vans, equipment)	£ 61.78	£ 12.36	£ 74.14	
21.04.2022	DD	E-on Next	Electricity - Locking Stumps MUGA	£ 10.16	£ 0.51	£ 10.67	
25.04.2022	*	LEVL	Geotab Pro Plus (monthly subscription)	£ 30.00	£ 6.00	£ 36.00	
25.04.2022	*	Premiclean	Cleaning services April 2022	£ 446.98	£ 89.40	£ 536.38	
27.04.2022	*	Millhouse Training Ltd	Brushcutter & Hedgetrimmer (MA)	£ 250.00	£ 50.00	£ 300.00	
27.04.2022	*	Vans North West Ltd	MK71 FVC - replace o/s/r/ lamp unit	£ 100.55	£ 20.11	£ 120.66	
28.04.2022	DD	Firstcom Europe	Office phone charges	£ 62.51	£ 12.50	£ 75.01	
28.04.2022	*	Viking	Stationery	£ 81.61	£ 13.94	£ 95.55	
29.04.2022	DD	CopyriteSystems	Photocopying charges	£ 39.07	£ 7.82	£ 46.89	
03.05.2022	DD	Waterplus	Water and w astew ater services (4083868280)	£ 23.37		£ 23.37	
03.05.2022	DD	Trade Point (B&Q a/c)	Timber, etc. to repair planters	£ 126.75	£ 25.35	£ 152.10	
03.05.2022	DD	James Todd (Go cardless)	Payroll services (March 2022)	£ 54.00	£ 10.80	£ 64.80	
04.05.2022	DD	Allstar	Fuel (office vans, mow ers, equipment)	£ 157.15	£ 31.43	£ 188.58	
04.05.2022	DD	Legal and General	Ill health insurance	£ 166.51		£ 166.51	
06.05.2022	*	May 2022 Wages	9 staff	£ 11,415.72		£11,415.72	
10.05.2022	DD	BNP Paribas Leasing	Photocopier lease 10/05/22 - 09/08/22	£ 343.00	£ 68.60	£ 411.60	
11.05.2022	DD	Allstar	Fuel (office vans, mow ers, equipment)	£ 120.28	£ 24.06	£ 144.34	
12.05.2022	DD	Waterplus	Water/w astew ater services (4083867607)	£ 81.32		£ 81.32	
13.05.2022	*	HMRC	Tax £1,417.40 NI £2,410.83 (6 April 2022 to 5 May 2022)	£ 3,828.23		£ 3,828.23	
13.05.2022	*	Wynchco Solutions	1 year Joomla! Support/Domain renew al/hosting	£ 818.95		£ 818.95	
13.05.2022	*	Cheshire Pension Fund	Pension contributions March 22 Eee £883.18 Eer £3.09	£ 3,980.84		£ 3,980.84	
13.05.2022	*	Matco Direct	Mat cleaning April - September 2022	£ 210.00	£ 42.00	£ 252.00	

Payments of Account since 13th May 2022

Date	Ref	Payee	Description	Net	VAT	Gross
17.05.2022	DD	Avoira (formerly Yellow bus)	IT support, backups, internet services (4 x inv.)	£ 234.68	£ 46.94	£ 281.62
17.05.2022	DD	Avanti Gas	Gas - Parkers Farm	£ 118.24	£ 5.91	£ 124.15
17.05.2022	DD	Financial Direct Fees	Online banking charges	£ 39.40		£ 39.40
18.05.2022	DD	Allstar	Fuel (office vans, mowers, equipment)	£ 47.11	£ 9.42	£ 56.53
22.05.2022	DD	SWALEC	Electricity - Parkers Farm	£ 325.39	£ 16.26	£ 341.65
24.05.2022	DD	E-on Next	Electricity - Locking Stumps MUGA	£ 9.20	£ 0.46	£ 9.66
24.05.2022	*	Premiclean	Cleaning services May 2022	£ 343.84	£ 68.77	£ 412.61
25.05.2022	DD	Allstar	Fuel (office vans, mowers, equipment)	£ 86.30	£ 17.25	£ 103.55
30.05.2022	DD	James Todd (Go cardless)	Payroll services (April 2022)	£ 54.00	£ 10.80	£ 64.80
30.05.2022	DD	Firstcom Europe	Office phone charges	£ 71.51	£ 14.30	£ 85.81
30.05.2022	*	Warrington Borough Council	HK64 NNM - re: flat battery	£ 19.80	£ 3.96	£ 23.76
30.05.2022	*	ESI	Emergency Lighting Maintenance	£ 70.00	£ 14.00	£ 84.00
30.05.2022	*	ESI	Commercial Fire Maintenance	£ 160.00	£ 32.00	£ 192.00
31.05.2022	DD	Copyrite	Photocopying charges	£ 58.17	£ 11.64	£ 69.81
01.06.2022	DD	Waterplus	Water and wastewater services (4083868280)	£ 23.37		£ 23.37
01.06.2022	DD	Trade Point (B&Q a/c)	Timber for sign posts (re: rewinding)	£ 23.13	£ 4.63	£ 27.76
06.06.2022	DD	Legal and General	Ill health insurance	£ 166.51		£ 166.51
07.06.2022	*	June Wages	9 staff	£ 11,401.74		£ 11,401.74
08.06.2022	*	Viking	Papers hand towels	£ 66.96	£ 13.39	£ 80.35
08.06.2022	*	Millhouse Training	Sharps Safety and Removal (6 x staff)	£ 300.00	£ 60.00	£ 360.00
08.06.2022	*	C Caddock (reimburse)	K-Mart Limited 12 x boxes disposable gloves	£ 59.88	£ 12.00	£ 71.88
08.06.2022	*	C Caddock (reimburse)	Peppy Group (UK) Limited 6 x 480ml hand sanitiser gel	£ 10.82	£ 2.17	£ 12.99
08.06.2022	*	C Caddock (reimburse)	The Beauty Center Ltd - 12 x 50ml hand sanitiser gel	£ 7.49	£ 1.50	£ 8.99
08.06.2022	*	C Caddock (reimburse)	Aw an Marketing International Limited - anti-bac wipes 12 x 70s	£ 11.57	£ 2.32	£ 13.89
08.06.2022	DD	Allstar	Fuel (office vans, mowers, equipment)	£ 146.04	£ 29.20	£ 175.24
10.06.2022	*	HMRC	Tax £1,220.20 NI £2,109.73 (6 June 2022 to 5 July 2022)	£ 3,329.93		£ 3,329.93
10.06.2022	*	Cheshire Pension Fund	Pension contributions June 22 Eee £810.25 Eer £2,870.50	£ 3,680.75		£ 3,680.75
13.06.2022	DD	Waterplus	Water/wastewater services (4083867607)	£ 97.40		£ 97.40
15.06.2022	DD	Financial Direct Fees	Online banking charges	£ 39.20		£ 39.20
15.06.2022	DD	Allstar	Fuel (office vans, mowers, equipment)	£ 44.79	£ 8.96	£ 53.75
15.06.2022	DD	Avoira (formerly Yellow bus)	IT support, backups, internet services (4 x inv.)	£ 234.68	£ 46.94	£ 281.62
17.06.2022	*	Cheshire PAT Testing	Annual PAT testing 2022 - 89 x items	£ 73.40		£ 73.40
17.06.2022	*	Swift Loos	Grant (Public Health Act 1936, s.87) Portaloos - 2022 Carnival	£ 350.00	£ 70.00	£ 420.00
17.06.2022	*	LEVL	Geotab Pro Plus (June monthly subscription)	£ 30.00	£ 6.00	£ 36.00
17.06.2022	DD	Avanti Gas	Gas - Parkers Farm	£ 89.35	£ 4.47	£ 93.82
17.06.2022	*	Mrs F. McDonald	Reimburse - petty cash float	£ 100.00		£ 100.00

Payments of accounts for approval at the June 2022 meeting

Date	Ref	Payee	Description	Net	VAT	Gross
all tbc	DD	Legal and General	Ill health insurance	£ 166.51		£ 166.51
	DD	Telesis	Phone/enhanced internet speed charges	tbc		
	DD	Waterplus	Water and wastewater services (4083868280)	£ 23.37		£ 23.37
	DD	Waterplus	Water/wastewater services (4083867607)	£ 97.40		£ 97.40
	DD	Financial Direct Fees	FD online charges	tbc		
	DD	Avoira	IT support, backups, internet services (4 x inv.)	£ 234.68	£ 46.94	£ 281.62
	DD	James Todd	May 2022 payroll fee	£ 54.00	£ 10.80	£ 64.80
	DD	E-on	Electricity - Locking Stumps multi-use games area	£ 9.34	£ 0.47	£ 9.81
	DD	Allstar	Fuel (office vans and equipment)	£ 220.87	£ 44.17	£ 265.04
	DD	CopyriteSystems	Photocopying charges	£ 85.32	£ 17.06	£ 102.38
	*	Cheshire Pension Fund	Pension contributions July 22 Eee £xxx Eer £xxx	tbc		
	*	HMRC	Tax £xxx NI £xxx (6 July 2022 to 5 August 2022)	tbc		
	*	Premiclean	Cleaning services June 2022		£ 82.52	£ 495.12
	*	Infotone	Toner cartridge		£ 5.99	£ 35.94
	*	LEVL	Geotab Pro Plus (July monthly subscription)		£ 6.00	£ 36.00
	*	JDH Business Services Ltd	Year End Internal Audit 2021/22		£ 63.00	£ 378.00
	DD	Avanti Gas	Gas - Parkers Farm	tbc		
		LEVL	Geotab Pro Plus (monthly subscription) August 2022	£ 30.00	£ 6.00	£ 36.00



Internal Audit 2021/22



Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales

The internal audit of Birchwood Town Council was carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion on the Annual Return for local councils.

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>The council did not evidence whether it carried out an annual physical verification of fixed assets recorded in the asset register as required by the following Financial Regulation:</p> <p>14.6. The continued existence of tangible assets shown in the (Asset) Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.'</p>	<p><i>The Financial Regulations for fixed assets should be complied with and evidence should be retained for the annual asset verification check for audit purposes.</i></p>	
2021/22 interim internal audit			
1	<p>Sample testing of payments identified that quotations for contracts as required by the Financial Regulations are not centrally held in a quotations file. As a result for some sample items individual searches of electronic/manual information were required to identify the relevant documentation.</p>	<p><i>A separate file should be maintained to evidence all contract procurement market testing exercises.</i></p>	
2020/21 year end internal audit			
1	<p>The risk assessment does not address the risks of supplier fraud. Most standard local council policies do not cover supplier fraud. The supplier fraud risks can be managed via appropriately robust policies and procedures. Examples of prevention actions include:</p> <ul style="list-style-type: none"> - training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information. - establish a rigorous change of supplier details procedure - 	<p><i>The risk assessment should be updated to include supplier fraud including the adequacy of supplier onboarding controls.</i></p>	Implemented

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change</p> <ul style="list-style-type: none"> - periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments. - checking address and financial health details with Companies House - checking samples of online payments to supplier invoices to ensure the payment has been made to the supplier bank account 		
2020/21 interim internal audit			
1	The council is party to a number of contracts with varying lengths and conditions.	<i>The council should establish a contracts register which should be regularly reviewed to identify those contracts where the upcoming end date signifies that a tender or quotation process is required, or whether a decision is needed regarding an extension which is provided for in the contract terms.</i>	Implementation in progress
2	Although there is good evidence of due diligence assessment of major contractors, this should be further strengthened by ensuring the VAT number of a supplier for a significant contract is formally	<i>A VAT fraud prevention check should involve formal verification of the VAT number of a new major supplier before entering into a material contract.</i>	Implemented

	ISSUE	RECOMMENDATION	FOLLOW UP
	verified before entering into the contract.		
2019/20 year end internal audit			
1	<p>The risk assessment was reviewed and updated during the financial year. However, it was not approved by full council in the programmed March 2020 meeting as it had to be cancelled due to the global pandemic. The risk assessment was subsequently amended and approved at the May 2020 meeting.</p> <p>We will note on the AGAR annual return certificate that although the risk assessment was not approved by full council in 2019/20, that this was due to the global pandemic, the requirement to cancel physical meetings in March, and that the document was approved at the first available meeting in May 2020.</p>		Implemented
2019/20 interim internal audit			
1	<p>The Financial Regulations (FRs) refer to a Purchase Order (PO) system (which would also clearly evidence the authority to spend). However, no PO system is currently in place.</p>	<p><i>The council should establish a sequential Purchase Order system as required by the updated Financial Regulations (FRs) and ensure Purchase Orders are signed according to the Authority to Spend requirements of the FRs.</i></p>	Implemented
2	<p>NALC have issued updated model Financial Regulations that include amendments to sections including contracts.</p>	<p><i>The council should review the latest NALC Financial Regulations and incorporate revisions, where they are applicable, to the council Financial Regulations</i></p>	Implemented

Annual Internal Audit Report 2021/22

Birchwood Town Council
 birchwoodtowncouncil.org.uk

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")	N/A		✓
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	✓		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: 31/01/2022 and 17/06/2022
 Name of person who carried out the internal audit: JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit: _____ Date: 17/06/2022

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

BIRCHWOOD TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

	Agreed		Yes	No*	Yes' means that this authority
	Yes	No*			
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓				prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓				made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓				has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓				during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓				considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓				arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓				responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓				disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	✓	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

28/06/2022

and recorded as minute reference:

086/22-23 (b) (iii)

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

www.birchwoodtowncouncil.org.uk

Section 2 – Accounting Statements 2021/22 for

BIRCHWOOD TOWN COUNCIL

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	346,863	322,107	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
2. (+) Precept or Rates and Levies	342,213	357,726	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	1,035	4,363	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs	239,395	233,653	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.	
5. (-) Loan interest/capital repayments	21,510	20,750	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	107,100	126,022	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	322,107	303,771	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments	319,049	296,103	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.	
9. Total fixed assets plus long term investments and assets	550,443	588,763	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.	
10. Total borrowings	104,000	88,000	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

19/05/2022

I confirm that these Accounting Statements were approved by this authority on this date:

28/06/2022

as recorded in minute reference:

086/22-23 (c)

Signed by Chairman of the meeting where the Accounting Statements were approved