

## Internal Audit Report of Bingley Town Council

Date of visit 27/01/2017

### Introduction

This was my first internal audit visit to Bingley Town Council. Bingley Town Council is a new council only having been formed in April 2016 and my first visit was timed in agreement with the Clerk and RFO Ruth Batterley for January 2017 to ascertain the progress made in implementing financial systems and procedures.

My role as the Internal Auditor of Bingley Town Council is to independently and objectively examine the effectiveness of controls within the organisation and to recommend improvements. It is important that I understand the aims and objectives of the organisation so that I can plan my work on an audit programme which is based on risk assessment and designed to meet the council needs.

At this meeting the discussions were focused on information gathering and finding out the current status of systems of operation and advising Ruth on certain areas of work that she had identified queries.

From my discussions with Ruth I concluded that Bingley Town Council has an ambitious plan to affect positive change for the community it serves. It has in my view made an excellent start and hopefully the community has noticed a difference in service delivery. The list of areas included within the remit of the council includes the running of three allotment sites, the provision of Christmas lights, the co-ordination of litter picking volunteers, setting up a grants scheme, Regeneration and Planning strategies, supporting local events, listing assets of community value, Emergency Planning and the setting up of a web site and social media presence. Going forward the council plans amongst other things to further its Green and Clean Strategy, provide hanging baskets, bulb planting and new litter bins. Central to all this activity is establishing systems of good governance and employing staff capable of helping to deliver the plan.

At this moment in time there is only one member of staff in post with another member of staff to be recruited shortly. Bingley Town Council has made a good start with the employment of an experienced and qualified clerk. This is especially important as the circumstance of setting up a new council dictates the need of having staff that are capable of completing the necessary actions without the need for immediate training.

### Areas covered at the visit

#### Establishment of Governance

The terms of reference for committees which consists of the Full Council meeting once a month, a Finance and General Purposes Committee, Planning Committee, Staffing Committee and three working groups. Ruth informed me that the working framework of the working groups is planned to change and going forward will be sub committees. The terms of reference for the sub committees is currently taking place. A bank account has been set up with Unity Trust and equipment purchased for the

offices of the council. Currently the council is in temporary accommodation which is a short term measure only as it is not large enough. The Council has considered communication channels and has set up both a web site and Facebook page.

### Web site

A web site has been set up and from my examination I concluded that it had been set up well and when fully populated will be an effective communication tool. In discussion with Ruth I was assured that by March 2017 that many of the documents and information currently missing will be included.

### Financial Policies and Procedures

Ruth has wisely prioritised the policies and procedures that should be in place first. The Financial Regulations and Standing Orders of the Council are both in place. The Council has used the NALC templates and both policies have been adopted by the Council. There is also a Risk Assessment Policy, Financial Risk Assessment, Disciplinary, Grievance, Complaints and Grant Awarding Policies. Other policies such as the Model Publication Scheme will be added when time allows but Ruth has made an impressive start.

### Staffing

Ruth has an employment contract and job description based on the NALC template and is currently on a fixed point as she is on a six month probationary period. This is a full time post as the level of work required could not be achieved by a part time post. Currently the process for appointing a part time admin support post is taking place and at the date of my visit 184 applications had been received.

Appraisals are an important tool for both employees and employers with written targets of work and training agreements. This is an area which I will look at in the future as a well-supported clerk is a good indicator for a council committed to continuous improvement.

The council has a Service Level Agreement with Bradford Community Payroll for provision of payroll services. In my view an excellent idea as this is a time consuming area for a clerk.

### Insurance

Bingley Town Council approached Came and Co which is a well -respected brokerage firm with experience in Local Government. The resulting policy is with Arriva it has a three year agreement ending in May 2019. I examined the policy and found it satisfactory.

### Register of Interests.

Bingley Town Council has 16 councillors; I examined the register of Interests of 15 councillors and found them to be satisfactory. Currently there is a vacancy for a councillor.

### Financial Systems

This is an area that will be reviewed at each audit visit. From my discussions with Ruth and preliminary examination of the available documentation I concluded that proper consideration has been given to robust financial controls taking into the need for a good division of duties. Councillors who have responsibilities for internal financial controls are not cheque signatories. Currently online banking is used to view accounts only and all transactions are completed by cheque. A petty cash system is not in place which again I consider this to be of benefit as this is one area that can be problematic with adhering to financial controls.

With regards to future audit transaction checking it was agreed that a sampling methodology would be used rather than to check every transaction. If any errors are found in my transaction checking then the sampling would be extended to ensure that the errors are not an indication of fundamental problems. Any error reporting will form part of my future reporting in order to give the council reassurance regarding its financial administration.

Regular backups are achieved by File Sure at a cost of £12 per month which will ensure that the Council will not suffer loss of data.

### Going Forward

From my initial discussions with Ruth and examination of documentation noted above I am assured that at this present time Bingley Town Council working well and is implementing timely, robust controls for finance and governance.

One of the next challenges for the council will be to obtain suitable office accommodation. It is recommended that a business case is prepared in order to ensure that all factors needed are considered. This includes the cost, type of premises needed, who is to project manage the scheme, time lines etc.

I do not envisage any problems with the closing of the financial accounts of 2016/17, Ruth has completed the task for other parish councils and so has the necessary expertise.

From our discussions we have concluded that two internal audit visits per year will be adequate the first being half way during the financial year perhaps towards the end of September and the second visit at the close of the financial year in order to complete the Annual Return etc. A detailed audit plan will be set in place to ensure that all areas of the council's operation are examined so that I can give the council the necessary assurance that all is well.

My next visit will take place after the end of the 2016/17 financial close down and as part of this exercise I will complete the Internal Audit section of the Annual Return. I look forward to working with Ruth and Bingley Town Council in the future.

Diane Brown Bingley Town Council Internal Auditor  
31/01/2017