



## **Internal Audit Review December 2023**

**Covering Dates between April 2023 – September 2023**

Provided by: Account-ant Yorkshire Limited

For: Clerk & Deputy Clerk

Date Issued: 12<sup>th</sup> December 2023

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## Introduction & Scope

- I. Local councils in England must complete an Annual Governance and Accountability Return (AGAR) which includes an Annual Governance Statement, Accounting Statements, and an Annual Internal Audit report.
- II. Proper practices for Town Councils and the preparation of the AGAR is included in Joint Panel on Accountability & Governance (Practitioner's Guide) March 2022. A copy of which can be found on [nalc.gov.uk](http://nalc.gov.uk)
- III. Internal Audit is a key component of the council's system of internal control. The purpose of internal audit is to review and report to the council whether its systems of financial and other internal controls and procedures are effective.
- IV. As part of the AGAR, the council's internal auditor, acting independently and on the basis of an assessment of risk, carries out assessments of compliance with relevant procedures and controls in operation throughout the financial year.
- V. Our work with Bingley Town Council commenced on for this year in November 2023 and Interim Audit was completed in December 2023.
- VI. All aspects of internal audit were covered bar the year end procedures which will be covered in our post year end visit.

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## Findings

### Proper Bookkeeping

Bingley Town Council uses an Accounting System called Rialtas to record all financial transactions. The system is arithmetically correct. Monthly Reconciliations are undertaken and subsequently presented to the Finance & General Purpose Committee & Full Council.

### Standing Orders and Financial Regulations

Standing orders and Financial Regulations were agreed at Full Council in May 2023. These documents are reviewed yearly

### Payment Controls

#### Staffing

The Finance department comprises of the Clerk, the Deputy Clerk & Admin Support. Each employee has an up to date job description and has been appointed with specific duties.

#### Purchases above De Minimus

The Financial Regulations state that any contract over £4,000 will require 3 quotes to be obtained by the Clerk or RFO and for any amount over £1,000 they shall strive to receive 3 quotes.

Items observed as purchased over De Minimus were related to contracts or grants agreed.

#### Sample Review

The Auditor reviewed a sample of purchase and sales invoices. All items were found to have an audit trail and were authorised. A list of payments are provided to Full Council at each meeting where payments are agreed.

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## VAT reporting

VAT has been reported and reclaimed correctly. The council uses Rialtas and MTD reporting to provide the information to HMRC.

## S137 Expenditure

The Council has been granted “General Power of Competence” to process such items through the P&L. This was agreed at the Annual Meeting in May 2023.

## **Risk Management Arrangements**

### Risk Assessments

Risk Assessment documentation reviewed and is sufficient.

### Unusual Financial Activity

The minutes and accounts have been reviewed for unusual financial activity and none has been identified.

### Insurance Cover

The council has insurance policies including Public and Employer’s Liability along with assets with Hiscox under the Communities scheme under a 3 years contract which is reviewed yearly. Each policy appears to be adequate and appropriate.

### Internal Controls

Internal Controls are set out in the Financial Regulations and audit checks can confirm they are being completed.

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## **Budgetary Controls**

### Budget Preparation

Each year the Council undertakes an extensive budget process. This starts with a draft budget being reviewed, line by line by the Finance & General Purpose Committee. The process starts in October. Once the Finance & General Purpose Committee are in agreement with the budget it is given to Full Council for review and/or agreement in January.

Only once the budget is agreed Full Council will the precept be requested from Bradford Metropolitan District Council.

Budget for 23/24 seen. At the point of Interim Audit the 24/25 budget was not ready for review.

### Budget Reviews

The Finance & General Purpose Committee receives a copy of actual vs budget on a quarterly basis for review. Evidence of this being discussed is evident in the meeting minutes

### Budget Variances

Budget variance will be reviewed in full at year end audit.

## **Income Controls**

### Precept

The precept reviewed matches the request sent to Bradford. Bradford does not provide a notification.

### Cash and Near Cash Security

The Council has never held Petty Cash. The only cash is from the toilet block which is collected and banked fortnightly.

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## Multipay Card

A small number of samples chosen were paid via the Multipay Card during this Audit. The limit on the card is £500 which is cleared down monthly via Direct Debit.

## **Payroll Controls**

### Staffing

All members of staff have current job descriptions and terms and conditions. The council also has an annual appraisal process.

### Payroll Processing

Bradford Community Payroll processes and pays salaries on behalf the Council. They provide a quarterly estimate of the payroll bill plus their fees which Bingley Town Council then pay. A reconciliation of the difference between payment received and payroll processed is provided.

Also provided is a separate report showing the NEST pensions output which has been checked against the Direct Debit leaving the bank account.

### Expenses

Expenses are rare as there is a Multipay Card available. One item of expense was chosen in the sample and found to be small in value and risk free.

## **Facilities Management**

### Allotments

The Council manages a small number of allotments. A number of rent invoices were chosen as part of the sample testing and found to be in order.

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## **Asset Control**

### Register

An up to date version of the asset register has been provided. A small number of assets have been purchased in the year.

### Insurance

The insurance of assets is covered under the Hiscox Community Schemes Policy.

## **Bank Reconciliations**

Bank reconciliations are present for all accounts. These are reconciled monthly in Rialtas and match physical bank statements. No differences have been observed.

## **Burial & Marketing Authorities**

Bingley Town Council is neither a Burial or Marketing Authority

## **Year End Reconciliations & AGAR**

This will be reviewed at year end Audit

## **Other items of Note**

The council is registered with the Information Commissioners Office under membership number: ZA221639 and expires in December 2023.

The council has sufficient security over information and uses Cloud Storage via a company called Cloudy IT

The Council does not hold Trust Funds.

The Council has CIL funding from a number of developments in the area. The receipts and payments are monitored and reported to the Finance and General Purpose Committee.

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## Recommendations/Further Information Required

We recommend that;

- We note the recommendation for a new website has been discussed and the Clerk advises this is due for review and approval at the December Finance and General Purpose Committee meeting.

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