

BINGLEY TOWN COUNCIL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL 2023 -2024

Undertaken and approved by the Finance and General Purposes Committee at a meeting on 13th March 2024

BOOK KEEPING	YES/NO	OBSERVATIONS	ACTION TO BE TAKEN
Finance software maintained and kept up to date	Y	Rialtas software used - Alpha.	
Evidence of internal control and effectiveness reviewed	Y	Internal control checks are carried out quarterly and reported to the Finance and General Purposes Committee.	
VAT evidence recording and reclaimed	Y	Rialtas calculates VAT; claims are made quarterly and all records kept.	
Payments in cashbook supported by invoices, authorised and minuted	Y	This is checked as part of the quarterly internal control inspections.	
Multipay Card within limits, expenditure reported and minutes	Y		
Appropriate books of account kept properly through the year	Y	Accounts are maintained on an income and expenditure basis.	
DUE PROCESS			
Standing Orders adopted to accord with NALC model	Y		
Standing Orders reviewed in the year	Y	Standing Orders reviewed annually at the Annual Meeting of the Council (AMC) in May, and when necessary.	
Financial Regulations adopted and up to date	Y	Financial Regulations reviewed annually at the Annual Meeting of the Council in May, or when necessary.	

Financial Regulations properly tailored to the Council	Y		
Equality Policy adopted	Y	Equality Policy reviewed annually.	
Terms of reference for committees etc adopted and reviewed	Y	Terms of reference reviewed annually at the AMC in May, and when necessary.	
Scheme of delegation adopted and reviewed	Y	Scheme of delegation agreed at the approval of the budget annually.	
Adequate internal controls for payments. Adequate arrangements for BACS, direct debits, standing orders and Multipay	Y	Payments are subject to two signatures on cheques, direct debits, etc. Direct debits are approved by Finance and General Purposes Committee (F&GP). Multipay payments are reported monthly.	
List of councillor interests held	Y	In council office cupboard, on website and sent to Bradford Council.	
Summons signed, specified and displayed within three clear days' notice	Y		
Purchasing authority defined in Financial Regulations	Y		
Legal powers identified in minutes or cashbook	N	The Town Council has the General Power of Competence (GPC): this is the power of first resort (GPC confirmed at the AMC 2023: minute reference 2324/11).	
RISK MANAGEMENT			
Annual risk assessment carried out	Y	Risks considered at each monthly F&GP meeting.	

Insurance cover appropriate and adequate	Y	Regularly reviewed, at least annually.	
Evidence of annual insurance review	Y	AMC 2023: minute reference 2324/18.	
Internal financial controls documented and evidenced	Y	Quarterly internal financial controls undertaken by a councillor appointed by the Full Council. Reported back to F&GP.	
Minutes initialled, each page numbered and overall signed	Y	Standard practice. Signed minute books in locked cupboard in council office.	
Regular reporting and minuting of bank balance	Y	Reported to the Finance and General Purposes Committee monthly and minuted.	
Does the Council have any cash investments	Y	CCLA - Public Sector Deposit Fund.	
If the Council does have cash investments has the Council considered the Government's investment guidance	Y	Considered as part of the policy.	

BUDGET			
Annual budget to support precept	Y		
Budget against spend regularly provided to Council along with bank reconciliation	Y	Monthly budget reporting to F&GP.	
Has budget been discussed and adopted by the Council	Y	There is a rigorous process where the budget is discussed at F&GP meetings and then tabled at Full Council meetings; final approval takes place in January each year.	

Any reserves earmarked	Y		
Level of general reserves within Proper Practice i.e. between 3 and 12 months net running cost	Y		
Any unexplained variances from budget reported	Y	Unexplained variances are reported at F&GP.	
Precept demand minuted	Y		
Payroll			
Contract of employment for all members of staff	Y	All staff are on the model contract.	
Tax codes issued and applied correctly	Y		
PAYE/NI/RTI evidence	Y	Records from the payroll provider (Bradford Community Payroll - CPA) are uploaded to the Town Council on a monthly basis ('monthly summary') and at the year end.	
Has Council approved the salary for each member of staff	Y		
Salary accords with SCP agreed by Council	Y		
Other payments reasonable and approved by the Council	Y		
Wage slips and P60 evidence	Y	Provided by CPA.	
National Living Wage paid?	Y	All staff are paid above the National Living Wage.	
Pension obligations met	Y	All members of staff are signed up to the pension scheme.	
Grievance and Disciplinary policies adopted	Y		

ASSET CONTROL			
Does Council keep a register of all material assets owned	Y		
Is asset register up to date and accords with Proper Practices	Y		
Value of individual assets included	Y		
Inspected for risk and up to date inspection records exist	Y	The allotments, floral displays and Christmas lights when erected are regularly inspected; inspections are carried out on the Hub building regularly to comply with insurance requirements.	
Record of deeds, articles and land register references available	Partial	Some land register numbers are available. Deeds are stored in the Town Council office.	
Bank Reconciliations			
Is there a bank reconciliation for each account	Y	Current account, PSDF and Multipay card.	
Reconciliation carried out on receipt of statement	Y	Often carried out before hard copy bank statements arrive by using online statements. The statements are checked each month by one of the two nominated councillors and reported at every F&GP meeting.	
Any unexplained balancing entries in any reconciliation	N/A	None.	
Year End Procedures			
Bank statements and ledger reconcile	Y	Has reconciled each year, as evidenced by the Annual Governance and Accountability Return (AGAR).	

Underlying financial trail from records to presented accounts	Y	Evidenced by AGAR.	
Where appropriate, debtors and creditors properly recorded	Y		
Has Council agreed, signed and minuted sections 1 and 2 of AGAR each year	Y	Evidenced by AGAR.	

MISCELLANEOUS			
Have points from last audit been addressed	Y	New website now being implemented.	
Has the Council adopted a Code of Conduct since July 2012	Y	Adopted at the AMC each year.	
Is eligibility for General Power of Competence properly evidenced	Y		
Are all electronic files backed up	Y	Backed up on the cloud (CloudyIT).	
Do arrangements for public inspection of the Council's records exist	Y	Members of the public are permitted to come and view publicly available documents. Many documents are on the Council website.	
Is the Council compliant with the Local Government Transparency Code 2015	Y	Necessary information published on the website.	
Does the Council have a privacy policy - is it on its website	Y		
Does the Council have a website	Y		
Has the Council done a data audit	Y		
Has the Council adopted a record management policy	Y		

Does the Council have a Complaints Procedure	Y	Reviewed annually at the AMC in May.	
Is the Council a sole trustee of a charity	N		
If yes, have the accounts been separately audited	N/A		
Has the Council any outstanding loans	Y	Public Works Loans Board (PWLB) for purchase of the Hub building – two repayment instalments made annually.	
If the Council has outstanding loans, has it budgeted for repayments in the year	Y		

REVIEW OF ARRANGEMENTS TO PROTECT MONEY

Some arrangements are also included in the table above.

Appointed Responsible Financial Officer with duties listed in Financial Regulations and elsewhere	Y		
Payments supported by invoices	Y	Checked as part of internal control inspections.	
Expenditure properly approved	Y	Checked as part of internal control inspections.	
Initialled cheque stub	Y	Two signatures required.	
Regular internal audit	Y	Twice a year – year end and half yearly (May and October).	
Minute showing appointment of internal auditor	Y	Minuted annually; see F&GP meeting September 2023, minute reference 2324/75.	
Income received as expected	Y		

Adequate check on reimbursed expenses	Y	Policies in place for councillor and staff expenses; completed forms need to be countersigned and receipts checked.	
Council appoints signatories	Y	Currently Councillors Clough, Goode, Truelove and Winnard.	
Credit card has defined limits and is cleared monthly by direct debit from the bank account	Y		
Council approves the bank mandate and any amendments to mandate	Y	Bank mandate confirmed at AMC annually.	
Those with direct responsibility for money undertake appropriate training from time to time	Y	Town Clerk and Deputy Clerk undertake training where necessary.	