

# Baildon Town Council



**Baildon Town Council**

Serving the people of Baildon

## Internal Audit Review

**Audit Trial Checks covering October 2024 – March 2025  
Plus, Year End AGAR and Governance**

Provided by: Account-ant Yorkshire Limited

For: Helen Thornton, Clerk & RFO

Date Issued: 24<sup>th</sup> April 2025

Where information resulting from investigation and/or audit work is made public or is provided to a third party by the client or by Account-ant Yorkshire Limited then this must be done on the understanding that any third party will rely on the information at its own risk. Account-ant Yorkshire Limited will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Account-ant Yorkshire Limited in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

## 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 are included in Joint Panel on Accountability & Governance (Practitioner's Guide) March 2025. 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 Baildon Town Council commenced in December 2023 with Interim Audit of 23/24 Year end. Audits have been conducted offsite with the Council providing relevant documents in our portal & video calls. We have continued in this manner with the 24/25 Audit.
- VI. All aspects of internal audit were covered.

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## About Account-ant Yorkshire Limited

Baildon Town Council has appointed Account-ant Yorkshire Limited with the view to complete Interim and Year End Internal Audits for the Council for a period of up to 3 Financial Years.

Account-ant Yorkshire Limited is an Accountancy Practice owned and run by Rachel Pearson who is a CIMA Qualified Management Accountant and Member in Practice. She has been fully qualified for over 10 years and been in a finance role for over 20 years.

Rachel started of Town and Parish Council Audits in 2018 and has gained knowledge and experience in the subsequent years.

Account-ant employs a team of similarly qualified individuals to complete Internal Audit each year end.

The Auditor for the period April 2024 – March 2025 is Rachel Bernadette Pearson ACMA (MiP). This will be the second year this individual has completed the Audit for this Council

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## Summary

I have reviewed a wide range of documentation including documentation provided by the Clerk as well as the Town Council website.

Helen and James have been open and clear with regards any queries I have made. It is clear the team are very thorough and knowledgeable.

Having reviewed the Council, I believe they are at a high standard whilst there is always room for continuous improvement even in a High Standard Town Council

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## Findings

### Proper Bookkeeping

Baildon Town Council uses an Accounting System called AdvantEDGE IT Systems to record all its financial transactions. The system is arithmetically correct. Monthly Reconciliations are undertaken as a minimum. These reports are subsequently presented to the Governance Committee.

### Standing Orders and Financial Regulations

Standing orders and Financial Regulations were agreed to accept without amendment at Full Council in May 2024. These documents are reviewed yearly.

Financial Regulations

<https://www.baildowntowncouncil.gov.uk/documents/1857054>

Standing Orders

<https://www.baildowntowncouncil.gov.uk/documents/1889799>

### Legislative Requirements

Transparency Code:

<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

The Council must comply with certain aspects of the code as listed below as its income and/or expenditure exceeds £200,000 in a financial year

#### **Expenditure exceeding £500**

#### **Government Procurement Card transactions over £5000 including invitation to tender**

We would expect to see these updated monthly as a minimum

Yearly the council must also publish information on

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- local authority land (see paragraphs 35 to 37)
- social housing assets (see paragraphs 38 to 41)
- grants to voluntary, community and social enterprise organisations (see paragraphs 42 and 43)
- organisation chart (see paragraph 44)
- trade union facility time (see paragraph 45)
- parking account (see paragraph 46)
- parking spaces (see paragraph 47)
- senior salaries (see paragraphs 48 and 49)
- constitution (see paragraph 50)
- pay multiple (see paragraphs 51 and 52), and
- fraud (see paragraph 53)

As and when they happen:

Waste Contracts

Method of Publication (which needs to be accessible)

It is recommended rather than required for a Council to publish items of expenditure over £250 – Baildon Town Council publishes all its schedule of payments on the website. They are not required to fully comply with the Transparency code due to their size.

## **Policy Review and Adoption**

Policies are reviewed by the Governance Committee as and when required.

## **Payment Controls**

### Staffing

The finance department comprises of 2 members of staff. Clerk/RFO Helen Thornton and James Laycock the Deputy Clerk.

### Purchases above De Minimus

No items over the DeMinimus of £3,000 observed between October 2024 and March 2025.

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### Sample Review

The Auditor reviewed a sample of purchase and sales invoices all of which were found to have a sufficient audit trail.

### VAT reporting

The VAT reclaims appear to be in order.

### S137 Expenditure

The Council asserted General Power of Competence during the meeting of 23<sup>rd</sup> September 2024. The RFO now being CILCA qualified.

The council therefore does not need to report under S137. However, for reference, the number of Electors was 6305 as advised by the Clerk/RFO during one of our zoom meetings.

For 24/25 this would equate to a maximum of  $6305 \times £10.18 = £64,184.90$

Grants given under S137 have been listed on the website and are within the above maximum if S137 needed to be reported.

As part of General Power of Competence, the Council does not need to list their payments in meeting minutes.

## **Risk Management Arrangements**

### Risk Assessments

The Risk Management Report is usually reviewed yearly. This was presented to Council in July 2024. It is present and sufficient. This is due for review in June 2025

### Unusual Financial Activity

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

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## Insurance Cover

The Council is insured with Zurich and the policy appears to be comprehensive.

## Internal Controls

An Internal Controls checklist has been seen by the Auditor found to be sufficient.

## Investments

The Council has £100,000 in PSDF.

## GDPR

The GDPR and Governance Documents have been reviewed by the Governance Committee.

## **Budgetary Controls**

### Budget Preparation

The Budget process starts in September with each Committee reviewing their budget requirements for the coming year with the advice of the RFO. Once the committees have agreed a budget it goes to the Governance Committee for review. It subsequently is presented to Full Council in December.

### Budget Reviews

Each committee has sight of their budget vs actual on a minimum of 3 times per year. We have seen evidence within the meeting minutes that budgets are a regular discussion point.

### Budget Variances

Actual vs budget reporting has been provided for review.

The Council has controlled its costs well and the difference to budget is minimal. There is nothing over the 15% threshold which would require elaboration for the External Auditor.

This is reviewed within the committee meeting.

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## **Income Controls**

### Precept

The precept reviewed matches the request.

### Cash and Near Cash Security

The Council has a high specification safe which hold the Petty Cash tin and the Regalia.

The Regalia is sometimes held at the Chair or Vice Chair's home and is insured for off-site locations.

The Petty Cash key is held by Helen and James, and it is low risk.

Other cash held is a Donations Box at Bracken Hall which is only used for income and no expenditure. Bracken Hall Volunteers submit expense claims throughout the year.

### Income Properly Recorded and Banked

Income in cash or cheque form is rare but when it occurs it is banked within 2-3 days at the local Nat West bank which has a banking agreement in place with Unity Trust Bank.

### Chargecard

The Council has a Lloyds Chargecard. Helen and James have access to the card and pin. The expenses are coded into Edge from the card statements and therefore are included in the data used for the sample choice.

## **Payroll Controls**

### Staffing

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

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### Payroll Processing

The payroll is run by Bradford CPA. They have provided quarterly estimates and the Clerk/RFO and Deputy Clerk review the estimates. During the Audit we reviewed several months of Payroll reports.

We tested one employee's salary against NJC Payscales during the Interim Audit. A process we would repeat again at the next Interim Audit.

We tested the Audit trail for October and December 2024 during Audit.

### PAYE, NIC and Pension Payments

During this interim Audit Bradford CPA reports were not observed but have been during the Year end audit which has led us to query the nominal location of the processing fees – which has been added to the recommendations section.

### Expenses

Some expenses were chosen as part of the sample review and found to be reasonable and approved. I would expect, in addition to receipts/invoice to see a signed expenses claim form.

We also observed a parking expense claim for which was for a Volunteer at the Library – this forms part of the Volunteers Policy and is reasonable.

### Approval of salaries and increments

The Council adopts NJC terms and conditions. NJC increases are budgeted and reported to Council. Wages against SCP were tested during the Interim Audit and found to be in order.

### Minimum Wage Threshold Met

All members of staff are paid above the National Living Wage

### HR Procedures and policies adopted.

The Council has HR policies in place.

### Training Policy and record for staff and elected members

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The council has obtained the Local Council Award

In terms of training for Councillors, there is an induction pack, and the team ensure the Councillors are forwarded details of all YLCA workshops and encouraged to attend.

Review of the training record will be reviewed during the year end process

#### Qualified Clerk

Helen Thornton is the Clerk/RFO. Helen is now CILCA qualified.

#### Annual Staff Appraisals

Appraisals are undertaken yearly.

#### H&S review of staff workstation & PC Equipment undertaken.

The Council has H&S policies and procedures in place.

### **Asset Control**

#### Register

The Asset Register will be reviewed as part of the year end process. The RFO is currently in the process of updating the asset listing and we believe it will be fully up to date by the end of the current financial year

#### Insurance

Insurance in relation to assets has been reviewed and found to be sufficient.

### **Bank Reconciliations**

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11

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

### **Burial Authority**

The Council is not a Burial Authority.

### **Market Authority**

The Council is not a Market Authority.

### **Monies in Bank**

The council are aware of the balances in accounts as they are reported at each Full Council meeting. The Council have invested £100,000 in PSDF in the 23/24 year, this has continued to be invested in 24/25 and gained some interest income.

### **Earmarked Reserves**

We have observed the Earmarked Reserves and believe they are sufficient and have been reasonably considered by the Council.

### **Debtors & Creditors**

There are no Debtors other than the VAT reclaim. There are no Creditors.

### **Accruals & Prepayments**

We have been advised there are no accruals or prepayments. See notes on payroll processing in the recommendations

### **Year End AGAR & Accounts**

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Internal Control Objective K is not applicable to the Town Council as they did not certify themselves as exempt from a limited assurance review in 2022/23.

AGAR is correct and checked to the Trial Balance, Bank Accounts and Debtors and Creditors

## **Other items of Note**

The council is registered with the Information Commissioners Office under membership number: ZA464681 and expires in January 2026.

The council has sufficient security over information and uses Cloud Storage.

### Arrangement for inspection of public records

There is sufficient provision for the public inspection of records.

### Memberships

The Council has many memberships in place to assist with the successful management of the Council and its amenities.

YCLA – for advice regarding the running of the Council along with relevant training courses

SLCC. – advice and training for Clerks

Rural Services Network

## **Recommendations/Further Information Required**

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13

- The website has slight inconsistency in its usability – for instance, some agendas and meeting minutes download to your computer/laptop whilst some minutes open in screen. It's just an observation as a website user – I would prefer it to be consistent and, in my opinion, opening in screen is easier for the user so they do not have lots of unnecessary downloads. However, from an eco-perspective a one-time download is more eco-friendly than opening within screen.
- We also note, now the Council has confirmed its GPoC eligibility they do not need to report S137 separately.
- We believe Bradford CPA's fees should be included in Box 6 (rather than Box 4). We also believe the payment of a payment on account to Bradford CPA should show as an asset to the Council as the monies would be due to be returned if, for any reason the Council did not run payroll. We are unsure of how this is practically managed within the AdvantEDGE IT systems and would ask for a query to be raised with the support team at Edge IT.

14  
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