

Wetherby Town Council & Wetherby Town Hall Charities



Internal Audit Review May 2024

**Audit Trial Checks covering September 2023 to March 2024
Plus Year End AGAR**

Provided by: Account-ant Yorkshire Limited

For: Iona Taylor, Clerk & RFO

Date Issued: 13th May 2024f

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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 2024. A copy of which can be found on 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 Wetherby Town Council commenced in January 2023. We work with Wetherby Town Council on 2 audits per year for up to 3 years.
- VI. All aspects of internal audit were covered bar the year end procedures which will be covered in our post year end visit.

About Account-ant Yorkshire Limited

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Wetherby 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 worked in a finance role for over 20 years.

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

She employs a number of similarly qualified individuals to take over audits after 3 years to allow the relationship with the Council to remain in place should the Council so wish.

This allows the Audit to be completely de-void of over familiarity or bias.

The Auditor for the period April 2023 – March 2024 is Rachel Bernadette Pearson ACMA (MiP)

Summary

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

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Iona Taylor and I met via zoom to discuss the progress and of the Council over the last 6 months.

Year end Audit has been conducted via email and telephone call.

Iona and colleagues have been open and clear with regards any queries I have made. It is clear the Clerk is very thorough and knowledgeable which I also noted on previous Audits

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

Findings

Proper Bookkeeping

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.

Wetherby Town Council uses an Accounting System called Rialtas 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 Budget & Governance Committee.

Standing Orders and Financial Regulations

Standing orders and Financial Regulations were agreed to accept without amendment at Full Council on 16th May 2023. These documents are reviewed yearly. Please see recommendations from prior Audit as it came to the attention of the Auditor the version of the website states 2019.

Documentation Readoption at Full Council

Along with the Standing Orders and Financial Regulations the following policies were readopted without amendment during the meeting of 16th May 2023. The Policies will be reviewed again during the May 2024 meeting.

- Code of Conduct
- Scheme of Delegation
- Terms of Reference
- Standing Orders – updated version with revisions.
- Financial Regulations – no revisions to previous version.
- Publication Scheme – updated version with revisions.
- Communications Policy - no revisions to previous version.
- Policy for the Protection and Safeguarding of Children and Adults at Risk - no revisions to previous version.
- Privacy Notice - no revisions to previous version.
- Reserves & Investment Policy – updated version with revisions.
- Complaints Procedure - no revisions to previous version.
- Training policy - no revisions to previous version.
- Volunteer Policy - no revisions to previous version.

These are up to date as per previous discussions in terms of content and signed version are available on site, however, as mentioned earlier redacted signature versions would improve clarity for the general public.

Payment Controls

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Staffing

The finance department comprises of 2 members of staff. Clerk and Finance Assistant who has been in post since April 2023.

Purchases above De Minimus

The Financial Regulations state that any contract over £3,000 will require 3 quotes to be obtained by the Clerk or RFO and for any amount over £500 they shall strive to receive 3 quotes.

Just one item over DeMinimus was observed in the audit trail period - £3016.80 to Farm & Land Services which is related to a temporary contract. Contract seen by Auditor.

We also discussed future projects for the Park & Cemetery and the use of Contracts Finder for tendering.

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 is provided to Full Council at each meeting where payments are agreed.

A number of invoices across the period October 2023 to March 2024 have cross checked against the bank statements.

VAT reporting

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

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We note the Council have received several penalty points from HMRC for late submissions due to staff absence but are now fully up to date

S137 Expenditure

The Council applied for GPoC in this financial year as the Clerk is now CILCA qualified

Risk Management Arrangements

Risk Assessments

The Risk Assessment was agreed at Full Council May 2023. We have seen the assessment dated 16th May 20223

Unusual Financial Activity

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

Insurance Cover

Insurance cover was reviewed and found to sufficiently cover the needs of the Council

Internal Controls

The Council has a thorough Internal Controls plan.

Investments

The Strategy toward investment was reviewed in the meeting dated 10th May 2022 and the relevant policy was readopted in the May 2023 meeting. This will be reviewed annually.

GDPR

The GDPR policy forms part of the Privacy Policy and is appropriate

Budgetary Controls

Budget Preparation

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The process for the period 2023/24 has been a collaborative process between the Staffing, Budget and Governance and Town Hall committees.

Budget Reviews

The Budget & Governance Committee reviews the actual versus budget monthly.

Budget Variances

The Council has a very robust system in place. We have reviewed the document due to be presented to Council in May 2024. There is a surplus in budget mainly due to being unable to secure staff in all the available positions.

Income Controls

Precept

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

Cash and Near Cash Security

The Council holds a small amount of Petty Cash. The local banking branch is being closed and the Council have made the decision to not accept cash in future. The exception being cash at events.

Income Properly Recorded and Banked

Income is banked same day where possible or deposited in the safe or in a banking folder in a locked office.

Multipay Card/Credit Card

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The council does not have a Multipay or Credit Card. Any expenses incurred are either disbursed from petty cash or paid via bacs.

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

An External company called DMK Payroll runs the payroll. However, the collation of data such as hours for variable hours staff, tax codes, sick leave, adjustments and pensions is completed by the Clerk.

Once Payroll posting is confirmed reports are stored and Pensions payments are ready for authorisation at Full Council.

Payments are made the day after the Council meeting.

PAYE, NIC and Pension Payments

Payments match payroll ran by DMK Payroll for the periods selected.

Expenses

A small number of expenses were chosen as part of the sample review.

Approval of salaries and increments

The Council adopts NJC terms and conditions. NJC increases are budgeted and reported to Council

Minimum Wage Threshold Met

All members of staff are paid above the National Living Wage

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HR Procedures and policies adopted.

The Contract for ELAS to provide services to the Council has expired. The HR procedures and policies are temporarily dealt with in house whilst the Council explores other providers and options.

Training Policy and record for staff and elected members

The Council has a training policy in place.

We have seen the training document for both staff and councillors.

A budget provision was added to the 23/24 budget in case of significant changes to the membership of council and committees after election.

Qualified Clerk

The Clerk, Iona Taylor completed her CILCA qualification and General Power of Competence declared at the Annual Town Council Meeting in May 2023.

Annual Staff Appraisals

Appraisals are undertaken in March.

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

Elas attended 4 times per year in the capacity of H&S Consultant.

As their contract is now out of term, the DSE reviews will be allocated to either a member of staff or the new provider, when contracted.

Desktop reviews occur as and when new starters arrive. The Facilities Manager completes a monthly walk around of the compliance items such as Emergency Lights, Fire Alarms, Extinguishers as a minimum.

The record keeping with regards H&S have been consolidated into one document for ease of reference and planning.

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Asset Control

Register

Asset register up to date and in order. We are pleased to see links to invoices in particular as it helps with transparency where needed

Insurance

The Insurance relating to assets is sufficient

Bank Reconciliations

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

Burial Authority

Income for burials/permits

A sample of 3 transactions were randomly chosen and found to be in order.

Burial Plan

Picture of Burial plan was seen on a previous Audit. This is a very old document which has plot numbers. The cemetery plan is now systemised digitally using a system called Pear.

Statutory Reports Kept / Stored Safely

Storage has been improved with records being kept in a fireproof cabinet.

All interred ashes have certificates of cremation

We tested burials and cremations and found all paperwork to be in order.

Permits properly documented and stored

Permits are stored digitally.

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Safety

The whole cemetery was tested in 2021 for safety. Some monuments were laid down immediately as safety hazards.

The remedial works noted in the previous report are ongoing.

Market Authority

Fees charged in accordance with approved rates

As part of the wider sample review, some market receipts were chosen. These were found to be in line with agreed rates

Agreements/licences issued to all stall holders

Agreements and Licences tested were in line with agreed rates.

Monies in Bank

The council are aware of the balances in accounts as they are reported monthly

Earmarked Reserves

The Council has a number of Earmarked Reserves which are discussed with Council. Evidenced in meeting minutes

Debtors & Creditors

The Debtors and Creditors are minimal and in control

Accruals & Prepayments

This will be reviewed at year end

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: Z3124345 and expires in March 2025.

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. Due to the large increase in the precept for 22/23, the Council received a number of queries which were recorded and dealt with in the correct manner

Website

We note the Council is in the process of tendering for a new website with increased functionality

Rialtas to Edge IT

We also note the Council plan to move from Rialtas to Edge IT.

Memberships

The Council has many memberships in place in order 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

ICCM – for advice regarding the Cemetery

NABMA – for advice with regards the markets

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SLCC. – advice and training for Clerks.

Recommendations/Comments

We recommend that:

- We recommend version control be added to policies on the website for transparency purposes. This is not a statutory requirement not recommended in the JPAG. It is purely based on our experience, as third parties navigating documentation. It makes it easier to see if the Council is up to date.
- We note the Council will change to a gov.uk domain when the new website is launched. We find your current website less intuitive than it could be and look forward to seeing your new website in future audits.

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Town Hall Charity Internal Audit Report

Charitable Incorporated Organisation (CIO)

Charity No: 1162686

Overview

The financial management of the charity is at a high level. Documentation is clear and easy to locate.

The Clerk provided a detailed report on the reorganisation of Governance and it shows how well the Charity requirements are now understood and undertaken

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Payments

A selection of payments through the period September 2023 to April 2024 were chosen using the cashbook and traced through to bank payments.

Bank Reconciliation

Bank reconciliations are all present and correct

Petty Cash

N/a no petty cash

VAT

When the CIO was formed the Charity was advised it would no longer be able to claim VAT. Specialist advice is being sought from Parkinson Partnership

Staffing

Whilst the Town Hall does have staff members, these are paid via the Town Council and wages and transferred accordingly.

Charity Commission Return

The Charity Commission website states up to date

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