



Interim Internal Audit Review November 2024

Audit Trail Checks covering April 2024 – September 2024

Provided by: Account-ant Yorkshire Limited

For: Charlotte Smith, RFO

Date Issued: 11TH November 2024

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 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 for the 24/25 year with Leyburn Town Council commenced in October 2024 with the remote access to the Scribe Accounts and email correspondence with the RFO. The period assessed was April to September 2024.
- VI. All aspects of internal audit were covered.

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About Account-ant Yorkshire Limited

Leyburn Town Council has appointed Account-ant Yorkshire Limited with the view to complete Interim and Year End Internal Audits for the Council.

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 a vast amount of knowledge and experience in the subsequent years.

The Auditor for the period April 2024 to March 2025 is Rachel Pearson ACMA (MiP)

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Summary

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

Our Audits were completed remotely I have spoken to Charlotte Smith predominantly via email and phone calls during the 24/25 audit

The Council has been open and clear with regards any queries I have made.

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 Parish Council.

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Findings

Proper Bookkeeping

Leyburn Town Council uses an Accounting System called Scribe s to record all it's financial transactions. The system is arithmetically correct. The RFO completes monthly bank reconciliations.

Standing Orders and Financial Regulations

Standing orders and Financial Regulations were agreed at Full Council in May 2024. These will be reviewed and readopted at each Annual meeting

Both are accessible on the website:

Financial Regulations:

<https://leyburntowncouncil.gov.uk/wp-content/uploads/2020/02/Financial-Regulations.pdf>

Standing Orders:

<https://leyburntowncouncil.gov.uk/wp-content/uploads/2020/02/LTC-Standing-Orders-2018.pdf>

Policy review and adoption

Polices are reviewed at the Annual meeting which we can see in the minutes of May 2024. However, we would expect to see a longer list or the policies being reviewed throughout the year in the meeting minutes.

Payment Controls

Staffing

The Finance department comprises of an RFO/Clerk and Deputy Clerk.

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Each employee has an up to date job description and has been appointed with specific duties.

We have reviewed the SCP grading and found it to be in line.

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 £1000 they shall strive to receive 3 quotes.

Items are listed below:

Voucher No	Date	Net	VAT	Total	Cashed Date	Description	Supplier	Be
330	25.11.2024	£48,477.60	£9,695.52	£58,173.12		Changing Places Toilet Module	Innova Care Concepts LTD	LI
157	28.06.2024	£7,745.87	£0.00	£7,745.87	28.06.2024	Insurance Cover	clear councils	LI
238	12.08.2024	£5,460.00	£1,092.00	£6,552.00	30.08.2024	Repairs to Market Square	Sam Pearce (Outco)	LI
197	17.07.2024	£4,750.00	£950.00	£5,700.00	31.07.2024	Groundworks- installation of CPT water pipe	John Ellerton (J Ellerton Groundworks Ltd)	LI
211	17.07.2024	£3,114.00	£0.00	£3,114.00	31.07.2024	Painting of windows	Sean Taylor	LI
142	20.06.2024	£3,113.00	£0.00	£3,113.00	28.06.2024	Painting of windows	Sean Taylor	LI
151	28.06.2024	£3,113.00	£0.00	£3,113.00	28.06.2024	Painting of windows	Sean Taylor	LI
196	17.07.2024	£2,592.20	£518.44	£3,110.64	31.07.2024	Roof replacement	Garry Acton (GW Acton & B Mudd Builders)	LI
156	28.06.2024	£2,500.00	£500.00	£3,000.00	28.06.2024	Floral displays- Summer	Braithwaites	LI

See comments.

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 given during each full Council meeting.

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VAT reporting

Vat returns observed. Auditor satisfied the Council are reporting VAT correctly.

S137 Expenditure

The council has the power to spend £10.84 per Elector on cases it deems worthy recipients. The council has spent within the statutory limits for the year.

We would recommend more transparency with regards grant going forward as the Council is now over the £200,000 Threshold

Risk Management Arrangements

Risk Assessments

The Risk Assessment document is comprehensive and will be reviewed in the next few months by Council.

Burial Authorities

The Council is a burial authority – we have check the Council have kept appropriate paperwork related to the burials between October 2023 and March 2024.

Unusual Financial Activity

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

Insurance Cover

Insurance cover appears to be comprehensive

Internal Controls

In addition to the checks done during the monthly meeting, a separate Councillor double checks items on a quarterly basis.

Investments

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The Council does not have any investments

GDPR

The GDPR policy forms part of the Privacy Policy is on the website.

Budgetary Controls

Budget Preparation

The council has a thorough process for Budgetary review. An Excel document showing past 4 Years and the current financial year forecast is produced. The income and expenditure calculations are shown in the excel workbook. Tenders are issued prior to the financial year to obtain firm costings for contracts. This is then reviewed at full Council. Budget for 23/24 agreed in Jan 23 meeting and every subsequent year is agreed in the January meeting.

Budget Reviews

The actual vs budget is reported on screen at each Council meeting.

Budget Variances

The budget vs actual is within a reasonable margin.

Income Controls

Precept

The precept reviewed matches the request sent to North Yorkshire Council. They paid the precept in 2 instalments, April and September 2023. We have checked this against the precept demand, budget and bank.

Cash and Near Cash Security

The Council does not have Petty Cash. If cash is handled it is counted between two people and put in the safe until the post van arrives. The cash is counted and put on Scribe at the same time. The post van arrives twice per week.

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Multipay Card/Credit Card

The Council currently does not have a card. However, the Council does have a debit card linked to their bank account which is held and controlled by the Clerk/RFO.

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

Payroll is processed in house using Moneysoft. No differences have been observed in the samples dated August 2024 and April 2024.

The council have added PAYE to their DD agreements.

Expenses

Expense claims observed as part of the sampling exercise and found to be reasonable.

Approval of salaries and increments

The Council adopts NJCP terms and conditions. NJC increases are budgeted and reported to Council. We have reviewed the salaries in line with NALC SCP recommendations and found them to be correct.

Minimum Wage Threshold Met

All members of staff are paid above the National Living Wage

HR Procedures and policies adopted

HR policies are in place.

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Training Policy and record for staff and elected members

There is a record of training which we will review as part of the Year End Audit. However, the Councillors do not currently commit to continuous training. The Civility Pledge has been signed.

Qualified Clerk

Yes, the RFO/Clerk is CILCA qualified.

Annual Staff Appraisals

Appraisals are undertaken.

H&S review of Staff Workstations and PC equipment

The council does not have H&S policies in place as they are not currently a legal requirement.

Asset Control

Register

The asset register will be reviewed at year end

Insurance

The council is fully insured, in terms of insurance vs asset valuation, we will review this as part of the year end

Bank Reconciliations

The bank reconciliations are completed in Scribe and presented to Council at the monthly meeting where they are then signed by the Chair.

This is in agreement with the Financial Regulations.

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Grants

A log of receipt vs expenditure is kept for Grants received

Accounting Principles

The Council are operating as Income and Expenditure.

Allotments

The Council does not currently have allotments.

Market Authority

The Council has a long running market. It has a mixture contracted and casual traders. We tested a number of receipts against the rate card provided.

Facilities Management

The Council manages Thornborough Hall which has regular tenants and is also a Wedding/Function Venue and Shawl Recreation Grounds.

The bookings for these are managed externally to Scribe.

We have also reviewed the lease for one tenant. Please see recommendations

Earmarked Reserves

This will form part of the year end review

Monies in Bank

The monies are split over a small number of bank accounts and all are within FSCS regulations.

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Year End & AGAR

This will form part of year end, however, this comment is from prior Audit and remains in place for ease of reference:

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

Trust Funds Independent Examination

There are no trust funds.

Other items of Note

The council is registered with the Information Commissioners Office under membership number: ZA426051 and expires in June 2025

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

Arrangement for inspection of public records

Members of the Public are welcomed to attend the Parish Council offices on any day during the inspection period.

Memberships

The Council has many memberships in place in order to assist with the successful management of the Council and it's amenities.

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Recommendations/Further Information Required

These recommendations were made on our last report. At the time of writing this report we believe they still required attention:

- The JPAG Point 5.26 states “It is prudent to develop a multi-year medium term financial plan”. **The perfect time to work on this is during the budgeting process for 24/25 as most of the work involved in this process is done at this time of year**

These are points/recommendations from the current audit:

- Standing Orders on the website are dated 2022. We can see from the Annual meeting the standing orders etc are readopted, however, for clarification I would recommend the date on the document be uploaded.
- Please clarify your process for policy review and re adoption. We would expect to see a much longer list at the Annual Meeting if that is the only instance they are reviewed. We also did not observe policy discussion at Full Council minutes throughout the year.
- Purchases over DeMinimus – at the time of this report we had not asked for evidence of 3 quotes on the items of DeMinimus – we would ask this to be provided as part of our Year end Audit and would suggest for ease of reference the quotes be uploaded as an attachment to the associated payments.
- We note for reference the Council should, if not already reflect the changes in Employer’s NIC effective from April 2025 in their 24/25 budget before it is submitted.
- We have tested a few invoices raised for facilities usage: Oak Room – invoice 1247 – we have surmised this is for 2 hours when compared against the room rates on the website but are not 100% sure. We would also recommend this for all events. This would also help in any instance of miscommunication and potential invoice disputes.
- Lease tested on tenant – tenant name is different. Change of name documentation should be appended to lease for clarification

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