

BENTHAM TOWN COUNCIL

INTERNAL AUDIT 2023-2024

YEAR-END REPORT

2nd May 2024

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Internal Audit Forum
THE VOICE FOR LOCAL COUNCIL AUDIT

The internal audit of Bentham Town Council has been carried out by undertaking the following tests as specified in the JPAG (Joint Panel on Accountability and Governance) guidelines 2023.

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied

AGAR certificate reference	Comments	Recommendation	BTC Response/action
<p>A. Appropriate accounting records have been properly kept throughout the year. AND Periodic bank account reconciliations were properly carried out during the year.</p>	<ul style="list-style-type: none"> • Bank reconciliations should be prepared routinely, and be subject to independent scrutiny and sign-off by members • Where the authority has bank balances in excess of £100,000 it must have an appropriate investment strategy. 	<ol style="list-style-type: none"> 1. A member, other than the Chairman, should be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member should sign the reconciliations and the original bank statements (or similar document) as evidence of verification (FR 2.2). 2. Approve an appropriate investment policy 	
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</p>	<ul style="list-style-type: none"> • Review the procedures for receipt of invoices 	<ol style="list-style-type: none"> 3. A suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation and applied to all invoices. 	
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<ul style="list-style-type: none"> • There is no up to date risk assessment available on the website, the one displayed is dated 2022. • Appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, business interruption 	<ol style="list-style-type: none"> 4. An up to date risk assessment needs to be made available on the website as a matter of urgency. This should be regularly reviewed. 5. The fidelity insurance should be increased to £500,000. 6. Internal controls, where they exist, should be published on the 	

	<p>and cyber security.</p> <ul style="list-style-type: none"> • It is recommended that fidelity / employees (including councillors) liability is increased to £500,000. • Whilst internal control is reported to be carried out by the authority at regular meetings, the most recent document available online is dated April 2022. 	<p>website.</p> <p>7. It is recommended that the council approve a Risk Management Policy.</p>	
<p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<ul style="list-style-type: none"> • Ensure that current year budget reports should be prepared and submitted to Committees periodically during the year with appropriate commentary on any significant variances and these reports should be made available online. • The RFO has reviewed the budget performance at the financial year-end and provided explanations for any significant or unanticipated variances. 		
<p>E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT</p>	<ul style="list-style-type: none"> • A formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately 	<p>8. An up to date list of burial fees should be made available online together with the Cemetery Regulations.</p>	

<p>appropriately accounted for.</p>	<p>evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)</p> <ul style="list-style-type: none"> • An effective diary system for bookings is in place identifying the hirer, hire times and cross-referenced to invoices raised 		
<p>F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for</p>	<p>NA</p>		
<p>G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.</p>	<ul style="list-style-type: none"> • Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract. • Whilst a formal contract is in place for the Town Clerk, this does not adhere to the Model Contract as produced by SLCC/NALC and should be updated accordingly. • There is no incentive (within the contract) for the Clerk to study 	<p>9. There are no contracts in place for the Cleaner or Caretaker and this must be rectified with immediate effect.</p> <p>10. It is recommended that the council adopt the Model Contract of Employment for the Town Clerk as published by NALC/SLCC.</p> <p>11. Salaries should be paid on a set day of the month and not have to wait for a meeting to be approved. They are contractual</p>	

	<p>for sector-specific qualifications including the Certificate in Local Council Administration (as a minimum).</p> <ul style="list-style-type: none"> • Whilst tax is being appropriately deducted for the Town Clerk it is not possible to clarify that tax is calculated appropriately for all members of staff as no formal contracts are in place. 	<p>arrangements.</p>	
<p>H. Asset and investment registers were complete and accurate and properly maintained.</p>	<ul style="list-style-type: none"> • The RFO is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets using the Scribe system. • The version on the website is dated 2022 and does not identify, for each asset the purchase cost and the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement. • 	<p>12. The asset register must be published on the website in the recommended format.</p> <p>13. Additions and disposals records should allow tracking from the prior year to the current.</p>	

<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.</p>	<p>Accounting statements were prepared on a receipts and payments basis, agreed to the cashbook and supported by an adequate audit trail from underlying records</p>		
<p>K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.</p>	<p>NA</p>		
<p>L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation</p>	<p>I have reviewed the Council's website and not all required documentation is published in accordance with the relevant legislation.</p>	<p>14. The website requires an accessibility statement and privacy notice. 15. Finance reports should be made available on the website and not restricted to cllrs. Council tax payers need to know where their precept is being spent. 16. Payments over £100 should be published on the website. 17. Associated meeting documents</p>	

		should be published on the website preferably in the form of a “meeting pack”.	
M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	The council did not minute or approve the relevant dates at the same time as approving the AGAR. Minute reference 19/06/2023/63.	18. Council should approve the dates at the same time as approving the AGAR.	
N. The authority complied with the publication requirements for the prior year AGAR.	Whilst the prior year’s AGAR is displayed on the website all requirements have not been met as detailed on the front page of the current year’s AGAR. There is no Notice of Conclusion of Audit.	19. Council must publish a Notice of Conclusion of Audit before 30 th September.	
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee	NA		

OTHER RECOMMENDATIONS:

1. It is recommended that the council provide .gov emails for staff and councillors (NALC briefing provided)
2. Where a council does not have the General Power of Competence any expenditure should be referenced in the minutes by the appropriate power/legislation (reference document provided)
3. All supporting documents for a meeting should be made available, online, to members of the public and provided to all councillors with the summons to the meeting
4. It is not evident, from either the summons or the minutes, which meeting is the Annual Town Council Meeting

COMMENDMENTS

Many thanks to the RFO for providing an excellent set of accounts, easy to understand and comprehensive.