

BALDERTON PARISH COUNCIL
INDEPENDENT INTERNAL AUDITORS INTERIM REPORT
FOR THE YEAR ENDING 31 MARCH 2025

This report is produced as a result of my interim audit on the Balderton Parish Council's policies and procedures. The review was carried out at the end of November 2024. The bulk of the financial checks will be conducted at year end, however some of the financial procedures and policies have been checked as part of this interim audit.

I have conducted my audit in relation to the books and records kept for the year 2024-25 by the Town Clerk and RFO. This work has been carried out on a sample basis in order to provide an assessment of the Council's compliance with the relevant policy and controls that are expected to be in operation. My tests are in line with those outlined within the Joint Panel on Accountability and Governance Practitioners' Guide published in March 2024.

The Clerk has given me full co-operation and assistance with my work in providing access to information and answering my questions. It became apparent within those discussions that there has been a significant amount of work required to bring the Council up to standard as there were many issues with previous practices, which unfortunately had not been picked up on previous audits. The Clerk is to be commended for tackling those issues head on and Councillors can take a lot of confidence from the work that she has done and continues to do in bringing the Council into line with regulations and best practice.

Under each of the Internal Control Objectives tested or part tested I have noted key points of merit or issues to note:

Objective A - Appropriate accounting records have been kept

The Council is now operating a sector specific accounting package which means proper budget monitoring is taking place and the Council can quickly see its financial position at any given time. Setting up a new system is time consuming and the Clerk and RFO are to be commended for getting this implemented quickly given the other demands on the office.

The Council is currently using a third party supplier to carry out bookkeeping work. Ideally this would be done weekly but given the current circumstances and recognising that the Council's customers are good at paying their bills, monthly is adequate.

The Council minutes are complete to date and signed and kept securely.

Objective B - Compliance with Financial Regulations, payments supported by invoices, all expenditure approved and VAT appropriately accounted for. (Partial Test)

The Council adopted new Financial Regulations on 23 October 2024. Standing Orders were reviewed and updated on 25 September 2024. Contract levels match across the two documents. The Council has not entered into any contracts over £25,000 this financial year, to date.

The Clerk is to be commended for implementing dual authorisation on the Council's bank accounts, this is not always an easy task to accomplish. The process appears to be working well and councillors are completing checks against invoices and this is evidenced with signatures.

The Council has implemented limited debit card for the clerk and fuel cards for the grounds staff which are cleared weekly and usage monitored. The limits are reasonable.

The only recommendation I can make on this objective at the present time is for a central log of quotes sought/obtained to be created and maintained. Whilst there is ability to track the quotes sought via emails and other filing methods, a quick overview record is more efficient and enables the Council to easily show compliance with its financial regulations. This is a nice to have and not urgent. To be clear, there are no compliance issues noted at this time.

Objective C - Authority assessed significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. (Partial Test)

The Council reviewed and updated the Financial Risks Register at the recent November meeting. It has a review of other health and safety risk assessments annually by an external company.

The Council reviewed its insurance cover in the last financial year following completion of a 3 year deal, the cover is examined annually or as prompted by new activity.

Other observations not affecting my opinion:

Whilst in the office I did notice that the server was perched precariously on the end of the desk. Whilst it is currently chained to the wall, this should ideally be located in a locked server cabinet to prevent tampering. It is not noted on the risk register either so it is not clear if this is backed-up and how. I will follow this up with the Clerk at year-end.

Objective D - The precept or rates requirement resulted from an adequate budgetary process; progress against budget regularly monitored and reserves were appropriate.(Partial Test)

The budget for the current financial year was set in January 2024 by the Full Council. The information provided to Councillors was comprehensive and Committees also fed into the process.

The budget review reports sent to Council are impressive and the Clerk is commended for her attention to detail on these, providing Councillors with comprehensive analysis of the current position and forecasted expenditure.

Objective E - Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for. (Partial Test)

The Council is VAT registered and submits quarterly claims. This appears to be up to date, full checks will be carried out to check balances at year end.

The Council reviewed its fees and charges in July this year and will normally undertake this review in January on an annual basis.

Income recovery is regularly monitored throughout the month with chasers sent at month end as necessary.

Hall hire is managed both electronically using google calendar and with manual forms, this is trackable through emails and the finance software. Once things are fully on track the Council may wish to consider an alternative system to make this process more efficient. It appears to be working well at present so is not an urgent consideration.

The Council has adopted an Investment Policy and has recently reviewed its savings accounts, adopting the CCLA investment option ensuring the best available interest with almost instant access to funds.

Objective F - Petty Cash managed appropriately

Not covered - the Council does not operate a petty cash account.

Objective 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. (Partial Test)

Confirmed that the authority is properly registered with HMRC as an employer - however there is a note on the insurance certificate which suggests that the Council is not - the Clerk will have this updated with the ERN passed along for their records.

All staff have formal contracts, the recent release of an updated contract by NALC has prompted a review of documentation and the production of a new handbook recently approved by the Council. Work on HR processes and systems is ongoing.

The Council uses SAGE payroll to cover payroll in-house and the set up was checked to ensure that the Council was not claiming the NI Employer's Allowance. Confirmed correct set up in place.

RTI returns are submitted in line with regulations and a check of the online account will be performed at year-end to ensure that there are no arrears. Payment of tax and NI is evidence through the bank statement.

There are no Councillor Allowances paid.

Objective H - Asset and Investment Registers were complete and accurate and properly maintained. (Partial Test)

The Council has a formal asset register in place which has been reviewed in May 2024 and updated and is updated regularly by the Clerk. Assets are usually valued at cost price but there is a legacy of buildings being listed at insurance value. The difference is known and it is accepted at the present time as there is a lack of information available to correct this.

There is currently no process in place for the regular physical verification of assets. This is something that is due to be put in place as soon as time allows. Staff do attend sites regularly, however so any issues would be picked up and dealt with promptly. Grounds staff do complete safety checks before they drive any vehicles.

Objective I - Periodic bank account reconciliations were properly carried out during the year (Partial Test)

Bank statements and Council agendas evidence the regular reconciliation of all accounts and these are signed off by Councillors.

Objective J - Accounting statements preparation

Not tested - year-end activity.

Objective K - Exemption from limited assurance

Not covered - authority not exempt as turnover in excess of £25,000.

Objective L - Transparency arrangements

The Clerk has carried out a significant amount of work to bring the council's website into line with the adopted 2015 Transparency Code and Model Publication Scheme. There is more work to be done and this area of work should not be underestimated in terms of the hours required to create data sets and collate information for upload. It is very positive that the Council has chosen to support this activity and residents should be pleased with the increased transparency on the Council's activities.

Once the bulk of information has been created the Council should also produce a guide to the information available and how it can be accessed along with any charges for copying etc so that residents can easily access documents whether they are online or not. A template for this document is available as an appendix to the ICO's Model Publication Scheme.

Objective M - Correct provision for the previous year's period for the exercise of public rights.

Not checked - year end activity.

Objective N - Compliance with publication requirements for the prior year AGAR

Not checked - year end activity.

Objective O - Trust Funds - the Council met its responsibilities as a trustee.

Not applicable - The Council has no charity responsibilities at the time of test.

Conclusion

The Clerk is knowledgeable and highly effective. I have not noted anything of significant concern at the time of my interim review, recognising that there is an action plan in place to bring standards up to a best practice level, as soon as practicably possible, given the day to day demands on the Clerk's office. There is clear prioritisation of tasks with the most high risk activities being tackled first.

The Council has now put in place many of the required policies, practices and procedures that are expected of a small authority. It should be pleased and proud with how far it has come in a short space of time and the continued dedication to improvements is to be commended.

SDoherty

S Doherty
SD Audit and Consulting
5 December 2024