

Town Parish Audit
9 Butlers Wharf
Hebden Bridge
West Yorkshire
HX7 8AF

The Clerk

Baildon Town Council
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20 October 2022

Interim Internal Audit of the Accounts for Financial Year ending 31st March 2023

I am pleased to inform you that the interim internal audit of **Baildon Town Council** is now complete. The audit took place based on the reconciled month 6 (September) accounts. There are no significant issues to report but there are a number of issues that do need attention – these are listed at the end of this report.

The tests and checks as per attached checksheet were carried out.

Cashbook and bank reconciliation

The cashbooks and bank reconciliation statements were agreed to the 30 September 2022 at £366,585.27

VAT claim

Quarters 1 and 2 VAT claims for the year were evidenced and accounted for appropriately.

Spot Checks

I examined the bank statements and cashbook from April 2022 to the end of September 2022 and chose a sample of expenditure and receipt transactions for further investigation. Relevant invoices/evidence was provided in all cases.

Minutes

The Council's minutes were reviewed and were paginated and signed.

Insurance

Appropriate insurance cover is in place.

Annual Governance and Accountability Return 2021-22

The annual return and accompanying documentation, including the external auditors report (page 6) is correctly displayed on the Council's website.

Petty Cash

It was reported that although the council still had a petty cash float no petty cash had been used during the 2022-23 financial year to date. A petty cash reconciliation was provided.

Committee Terms of Reference

Each individual committee has appropriate and specific terms of reference.

Budget Monitoring

Budget monitoring for each committee is carried out on a regular basis.

Internal Controls

I confirm that I have carried out appropriate tests and checks on the accounts and internal controls as detailed on the accompanying Independent Internal Audit check list and found them to be satisfactory.

Issues to Note and Act Upon:

Reporting of bank balance and bank reconciliations

It was noted that named Cllrs carry out internal control checks twice a year including looking at bank statements and bank reconciliations. In addition, as a minimum the reporting of bank balances with bank reconciliations should be reported to an appropriate council meeting regularly throughout the year and for a council of this size, ideally monthly. It should also be noted in the minutes that these reports have been received.

AGAR sign-off meeting

The 2021-22 annual return was signed off at an appropriate full Council meeting but ideally the minutes should contain more detail ie:

Annual Governance and Accountability Return (AGAR) 2021-22

Resolved to:

- i) note the Annual Internal Audit Report for 2021-22 included as part of the AGAR 2021-22.
- ii) approve Section 1 - Annual Governance Statement 2021-22 for XXXX Parish Council, AGAR 2021-22.
- iii) approve Section 2 - Accounting Statements 2021-22 for XXXX Parish Council, AGAR 2021-22.
- iv) approve the publication of documents required by Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities.

Staff Contract

Evidence could not be provided that three members of staff had employment contracts:

the admin officer who started 07 Feb 22

the Clerk, who started 28 Feb 22

the Deputy Clerk, who started 01 April 22

This needs to be rectified as a matter of urgency.

Council Assets

It is important that any physical external assets are inspected a minimum of annually and that this is reported back to a council meeting. It was noted that the defibrillators are inspected but no evidence was provided that the benches, noticeboards or grit bins were inspected. It is usually a requirement of any insurance policy that all physical assets are inspected the minimum of yearly.

I can confirm that all original and additional information requested was provided in an efficient, detailed and timely manner.

Yours sincerely



Naomi Goddard

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