



# Skipton Town Council

## Internal Audit Report

**Covering Dates between:  
October to December 2024 for Audit trail**

Provided by: Account-ant Yorkshire Limited  
For: Chief Officer & Finance Manager  
Date Issued: 17<sup>th</sup> January 2025

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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](http://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 Skipton Town Council commenced on 7<sup>th</sup> May 2022. The current year audits so far, have been held partially remotely with the most recent on-site visit 16<sup>th</sup> January 2025.
- VI. All aspects of internal audit were covered.

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## About Account-ant Yorkshire Limited

Skipton 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 knowledge and experience in the subsequent years.

The Auditor for the period April 2024 – 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 Finance Manager, other members of staff as well as the Town Council website.

I completed an on-site visit for Interim Audit on 16<sup>th</sup> January 2025. My Primary contact on visits being the Finance Manager, Helen Marshall.

I have met all other members of the team working in the Council offices on previous occasions and some during this visit.

All members of staff have been open and clear with regards any queries I have made. The team have been thorough and knowledgeable when met with queries.

Having thoroughly reviewed the Councils Finance and Governance records we believe they continue to be a high standard Council.

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## Findings

### **Proper Bookkeeping**

Skipton 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 however the finance department often reconcile on a daily basis. These reports are subsequently presented to the Finance Committee.

We have reviewed a sample of income and expenditure, tracing the transaction through to the bank or credit card statement and purchase orders where appropriate.

### **Standing Orders and Financial Regulations**

This section was not reviewed during the January 2025 Visit as there are no changes during the period. The comments below are from previous Interim Audit report:

Standing orders and Financial Regulations were agreed at Full Council in May 2024. The Standing Orders had a slight amendment with regards the replacement of "District Council" with "North Yorkshire County Council". The Financial Regulations with adopted without amendment.

Both are easily accessible on the website:

Financial Regulations:

[https://www.skiptontowncouncil.gov.uk/\\_UserFiles/Files/NALC%20model%20financial%20regulations%202024.pdf](https://www.skiptontowncouncil.gov.uk/_UserFiles/Files/NALC%20model%20financial%20regulations%202024.pdf)

Standing Orders:

[https://www.skiptontowncouncil.gov.uk/\\_UserFiles/Files/Standing-orders%202024-25.pdf](https://www.skiptontowncouncil.gov.uk/_UserFiles/Files/Standing-orders%202024-25.pdf)

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## **Documentation Readoption by Finance Committee**

We have observed The Audit, Scrutiny & Planning Committee choosing policies to scrutinise in their meeting between April and September 2024. At the time of our onsite visit in January there was no meeting minutes during this current quarter audit period

This is evidence of policies being reviewed on a regular basis and being a standing meeting agenda.

## **Payment Controls**

### Staffing

The Finance Department as of our January 2025 visit comprised of the Chief Officer and Finance Manager. Each employee has an up to date job description and has been appointed with specific duties.

There is also a Deputy Clerk.

### 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 £100 they shall strive to receive 3 quotes.

During the period, there were a number of items over DeMinimus. All of which have 3 quotes, are in contract or are specialised services. We have received sufficient evidence of each item.

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

Payments are listed in additional documents from June 2024 onwards on the website.

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Payments are supported by purchase order, invoice and bank authorisation.

We note that payments and receipts expected before the end of each month are included in the list for Full Council.

#### VAT reporting

Vat returns observed. Auditor satisfied the Council are reporting VAT correctly. VAT on invoice also observed and found correct in Rialtas however, there were a few examples of Petty Cash vouchers/Payment requests not being completed correctly. The VAT was correctly claimed. This is a minor observation.

Please see Recommendations section.

#### S137 Expenditure

The Council has General Power of Competence and therefore is not required to report S137 expenditure separately.

As the Council has General Power of Competence they cannot use the S137 Power

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## **Risk Management Arrangements**

### Risk Assessments

It has been noted that the documentation was approved at Full Council in May 2024.

The document approved has been observed on a prior visit and amendments suggested in our previous report have been implemented.

### Burial Authorities

Skipton Town Council is a burial authority for 3 closed burial grounds. One is at Trinity Church and the other at Raikes Road which is managed and assessed by “Friends of Raikes Road” and Christ Church.

### Unusual Financial Activity

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

### Insurance Cover

Insurance policies will be reviewed as part of the year end process.

### Internal Controls

Internal Controls observed to be working and sufficient in general.

The internal control checklist was reviewed during our visit.

### Investments

The Council does not hold any investments

### GDPR

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

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## Budgetary Controls

The 2025/26 Budget with notes was observed during this Visit. We can see sufficient consideration has been made towards the Budget and Precept Request.

### Budget Preparation

The normal process is as follows:

“Each year the Council undertakes an extensive budget process. This starts with a draft budget being reviewed, line by line by the Finance Committee. The process starts in October. Once the Finance Committee are in agreement with the budget it is given to Full Council for review and/or agreement in January of each year.”

Only once the budget is agreed Full Council will the precept be requested from North Yorkshire.

The Finance Manager also produces a Forecast for the rest of the year.

The Budget has been reviewed and found to be in order – we note some income is conservative in estimates, however, they are not guaranteed income.

### Budget Reviews

The Finance Committee reviews the actual versus budget quarterly. Evidence of this is seen in the Finance Committee meeting minutes.

### Budget Variances

Variances to budget were observed and found to be reasonable. Salaries in admin is the much lower than Budget due to recruitment of staffing.

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## Income Controls

### Precept

The precept reviewed matches the request sent to North Yorkshire County Council who do not provide a notification.

### Cash and Near Cash Security

The Council holds a small amount of petty cash which is located in the new offices in Otley Street. Cash from market traders is banked daily, apart from the weekend when it is put in the safe. The Safe is now located in the new offices within sight of the Chief Officer's office.

If any member of staff needs to go into the safe then they are accompanied by another member of staff which is most often a member of the Finance Department.

The Mayoral chains are located in this safe. The buddying system has been deemed sufficient in the absence of CCTV.

This system is still continuing well and has been discussed at this Interim Audit visit.

### Multipay Card/Credit Card

The Council has a Credit card which is used sparingly for office and small general purchases. Purchase Orders are raised and signed by the RFO.

We reviewed every PO relating to the card income during this Audit all items of expenditure had sufficient receipts.

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## **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 Sage Payroll. Payments are made at the end of the month for the payroll file ran the previous month. i.e. Month 7 payroll file relates to payments made 30<sup>th</sup> September.

We have observed the payroll for October, November and December on this visit

### 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. These are reviewed by the Management and Staffing Committee.

### Minimum Wage Threshold Met

All members of staff are paid above the National Living Wage

### HR Procedures and policies adopted

The Council has HR Policies in place. HR is managed internally with Consultant assistance when complex issues arise.

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### Training Policy and record for staff and elected members

The Council has a training policy in place. We note in particular all members of staff have renewed their First Aid training.

Auditor has had sight of the up to date training record during this visit

### Qualified Clerk

The Chief Officer, Louise Close is a CILCA qualified, plus FILCA. The Finance Manager, Helen Marshall has completed ILCA, FILCA and PIALC is in progress.

Jenny Dean, Deputy Clerk has also completed ILCA and has passed CILCA

### Annual Staff Appraisals

Appraisals are undertaken.

### H&S review of Staff Workstations and PC equipment

H&S for workstations are completed at the start of employment or when changes of health occur.

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## **Asset Control**

### Register

The Asset Register is updated yearly and will not form part of Interim Audit.

The Asset register will be reviewed at year end and will be matched against Trial Balance.

### Insurance

The Insurance Policy has been reviewed and found to be sufficient.

## **Bank Reconciliations**

Bank reconciliations are present for all accounts. These are reconciled monthly but often daily in Rialtas are matched to physical bank statements. No differences have been observed.

Reconciliations are signed at each meeting.

## **Accounting Principles**

The Council are operating as Income and Expenditure.

Accruals & Prepayments are reviewed as part of year end process

## **Allotments**

There are a team of employees who run and manage the Allotments The Council owns allotments. The Rate card is advised as £96 for Full Plot, £48 for half.

Allotment fees invoiced in April which are payable in July. We have observed a number of payments and a standard tenancy agreement during our site visit in August.

We reviewed the Tenancy Agreements for 3 random plot holders on prior visit. All are in order and there are no arrears.

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## **Facilities Management**

As the Town Hall is in need of repairs, the facilities will not be available for use until further notice

## **Markets**

The Council runs a market several days a week. T

The process of recording and managing payments from the Market formed part of our Internal Audit in May 2022 which suggested some improvements in the governance of monies.

These suggestions were implemented and are still in place at the current site visit.

## **Earmarked Reserves**

Earmarked Reserves are considered yearly.

This will form part of year end Audit.

## **Monies in Bank**

Monies in Bank are regularly reviewed by the Finance Committee.

## **Year End & AGAR**

This will form part of year end Audit.

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## Other items of Note

The council is registered with the Information Commissioners Office under membership number: Z8619249 and expires in May 2025

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

### Arrangement for inspection of public records

There is now a policy and plan in place for the inspection of public records per the auditors recommendation in the year end audit for 2022/23.

Inspection of Public records would be held at the offices on Otley Street from now on if required

### Memberships

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

YCLA – for advice regarding the running of the Council along with relevant training courses

NAS – National Allotment Society

NAMBA – Markets

SLCC – advice and training for Clerks.

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## Recommendations/Further Information Required

A small number of payment requests were incorrectly completed by employees with regards to VAT rates and amounts. The Finance Manager picked this up and correctly claimed the VAT but clarification needs to be made to employees to ensure the full audit trail matches in future.

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