



Skipton Town Council

Internal Audit Report

**Covering Dates between:
January 2025 to March 2025 for Audit trail
Plus Year End AGAR and Governance**

Provided by: Account-ant Yorkshire Limited
For: Chief Officer & Finance Manager
Date Issued: 25th April 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 are included in Joint Panel on Accountability & Governance (Practitioner's Guide) March 2025. 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 based on 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 7th May 2022. The current year audits so far, have been held partially remotely with the most recent on-site visit 24th April 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 24th April 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 daily. 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. We raised any small queries and amendments whilst on site and they were rectified as needed.

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

Standing Orders:

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 October 2024 and March 2025.

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

Legislative Requirements

Transparency Code:

<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

The Council must comply with certain aspects of the code as listed below as its income and/or expenditure exceeds £200,000 in a financial year

Expenditure exceeding £500

Government Procurement Card transactions over £5000 including invitation to tender

We would expect to see this updated monthly as a minimum

Yearly the council must also publish information on

- local authority land (see paragraphs 35 to 37)
- social housing assets (see paragraphs 38 to 41)
- grants to voluntary, community and social enterprise organisations (see paragraphs 42 and 43)
- organisation chart (see paragraph 44)
- trade union facility time (see paragraph 45)
- parking account (see paragraph 46)
- parking spaces (see paragraph 47)
- senior salaries (see paragraphs 48 and 49)
- constitution (see paragraph 50)
- pay multiple (see paragraphs 51 and 52), and

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- fraud (see paragraph 53)

As and when they happen:

Waste Contracts

Method of Publication (which needs to be accessible)

Skipton is required to publish all expenditure over £500 which it does in the Transparency section of the website:

[https://www.skiptontowncouncil.gov.uk/Transparency Information 40253.aspx](https://www.skiptontowncouncil.gov.uk/Transparency%20Information%2040253.aspx)

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 January to March 2025 there were 3 items over DeMinimus queried.

Gala Lights

IT Services

Boots

All had either a contract in place or sufficient back-up in the form of Pos, agreements and quotes.

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

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

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.

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

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.

This does not require further review until we commence our 25/26 Quarter 1 Interim Audit.

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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

The Council's main insurer is Hiscox under policy no: 8051144. There is continuous cover in place from 1/10/2024 until cancellation. The Policy includes Assets, Employer's Liability and various other protections.

We believe the Council have sufficiently considered their risks and mitigated them as much as possible with this policy.

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 in relation to 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 agree 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 County Council.

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

The Budget has been reviewed and found to be in order.

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.

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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 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 by the person on rota on the weekend.

The deposits of cash are checked and banked on the next weekday.

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 during the working week.

This system is continuing to work well and has been discussed at all Audit meetings.

The Mayoral chains are also located in this safe. The buddying system has been deemed sufficient in the absence of CCTV. When a Councillor collects the chains, they do so with a member of staff present.

They sign the chains out and in to confirm they have been kept in good order with a member of staff who confirms they are undamaged.

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. Payroll reports dated 7th February 2025 relate to the payment made 31st January 2025.

We have observed the payroll for February and March 2025.

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 up to date and matches the AGAR.

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

Insurance

The main insurance policy is with Hiscox which provides continuous cover from 1/10/2024. With regards assets, the amount insured is approximately £854,000 which is more than the value of the assets.

We would consider the Council is sufficiently covered for its assets.

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 and Prepayments for year-end have been observed and sufficiently considered.

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.

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

We reviewed the Tenancy Agreements for 3 random plot holders on one of our quarterly visits during the financial year. All are in order and there are no arrears.

Facilities Management

As the Town Hall needs repairs, the facilities will not be available for use until further notice

Markets

The Council runs a market several days a week.

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.

During our Year end Visit we observed Earmarked reserves and consider them correctly treated and considered.

Monies in Bank

Monies in Bank are regularly reviewed by the Finance Committee.

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Year End & AGAR

The AGAR has been completed correctly. We have considered Creditors, Debtors, Accruals and Prepayments along with checking the receipts and payments have been entered in the correct box.

The Variance does have items requiring explanation which appear to be sufficiently explained for the External Auditor to review upon receipt.

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 2023/24.

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 auditor's 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 to assist with the successful management of the Council and its 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

- Update to the Purchase Order template was created during our onsite visit. We noticed a few POs created and signed with reference to the incorrect VAT rate. However, the VAT has been correctly claimed
- Update to a PO for the Mayoral chains refurbishment as it was missing a small amount of carriage.
- Audit, Scrutiny and Planning Committee meeting minutes dated 13th March 2025 are in draft, however, there have been subsequent meetings where I would expect the minutes to be approved.
- Public Service Committee meeting minutes 28th November 2024 are in draft, however, there have been subsequent meetings where I would expect the minutes to be approved.
- Marketing Committee meeting minutes 22nd January 2025 are in draft, however, there have been subsequent meetings where I would expect the minutes to be approved.

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