



# Beverley Town Council Internal Audit Report [Year-End]

Financial Year Ending 31st March 2022

Date of Interim Visit: 29 April 2022

Date Report Issued: 05 May 2022

Status: Final



**BEVERLEY  
TOWN COUNCIL**

WORKING AS A COMMUNITY

**Prepared by Internal Audit Yorkshire**

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**This internal audit report takes into account the best practice and internal auditing standards referenced within the Practitioners' Guide to Governance and Accountability for Local Authorities.**

The Internal audit report should inform the authority's responses to Assertions 2 and 6 in the Annual Governance Statement that forms part of the Annual Governance and Accountability Return [AGAR].

This internal audit report should therefore be made available to support and inform members considering the authority's approval of the annual governance statement.

**Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.**

# 1. Background

- 1.1 Authorities in England operate within a legal framework which provides them with the necessary statutory powers and authority to deliver local public services. Authorities and their clerks/chief executives/RFOs should always be aware of, and have regard to, the legal power they are exercising when deciding on any action including to spend public money.
- 1.2 The proper practices for smaller authorities (Town and Parish Council's) are included in the Governance and Accountability for Smaller Authorities [March 2021], a Practitioners Guide. Smaller authorities in England must complete an Annual Return and an Annual Governance Statement to the public. The Annual Return must be submitted to the external auditor within the statutory deadline of 30 June.

# 2. Purpose of Internal Audit

- 2.1 Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 2.2 The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective. The internal audit function must be independent from the management of the financial controls and procedures of the authority which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the authority.
- 2.3 The objectives for Internal Audit Yorkshire are to undertake a programme of work to help discharge the statutory internal audit responsibilities and form a judgement of the effectiveness of internal control arrangements during the financial year. The list is not exhaustive and can vary from each authority who can agree a specific programme of work with its internal auditor provider each year. The key systems and processes will range from:
- Proper book-keeping including the cash book; bank reconciliations
  - Standing orders and financial regulations;
  - Payment controls/petty cash; Income controls;
  - Budgetary controls; Petty cash procedure;
  - Payroll controls; Asset control;
  - Year-end procedures; and risk management arrangements.

# 3. Our Objectives and Programme of Work

- 3.1 Our programme of cover has been designed to afford reasonable assurance that the Councils financial systems are robust and are operating in an effective manner and in compliance with the statutory legal framework. Our reasonable internal audit assurance definition indicates that 'There is generally a good system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the control area audited'.
- 3.2 Our work during the interim visit and the year-end visit will enable us to reach judgements on the internal control objectives in the Annual Internal Audit Report which forms part of the Councils Annual Governance and Accountability Return [AGAR].

## 4. Our Scope of Work During the Interim Visit

4.1 We covered the following areas during our interim visit on the 02<sup>nd</sup> December 2021.

- Book Keeping and Periodic Bank Reconciliations
- Standing Orders and Financial Regulations
- Payment Controls and Expenditure Testing
- Credit and Debit Cards
- Mayors Charitable Funds
- VAT
- Risk Management Arrangements
- General Data Protection Regulations [GDPR]
- Back-up of Electronic Files
- Budgetary Controls and Financial Health
- Income Controls including the precept
- Petty Cash Procedures
- Payroll Controls
- Asset and Investment Registers

## 4.2 Our Scope of Work at The Year-End Visit.

The year-end audit visit took place on the 29 April 2022 at the council offices.

We covered the following areas at the year-end visit:

- Asset Register (follow-up work)
- Accounting Statements and supporting documentation; Year-End Bank Reconciliation
- Transparency Code
- Exercise of public rights for the previous year 2020/21
- Publication requirements 2020/21 AGAR

**\*Internal Control Objectives F, K and O were not applicable to Beverley Town Council.**

We would like to thank the Acting Clerk/RFO Matthew Snowden and Finance Officer Carol Oliver for all their help and assistance during the audit.

## 5.1 Findings

### Asset and Investment Registers

**Internal Control Objective:** Asset and investments registers were complete and accurate and properly maintained.

**Aim:** To provide assurance that all material assets are accounted for correctly

## 5.2 Asset Register (Follow-up work)

5.3 A fresh asset register has been created which records adequate detail of asset descriptions, locations date acquired and purchase costs. Assets are listed in six categories:

1. Land/Building/Street Furniture
2. Handyman/Town Equipment
3. Historic Property – transferred from Beverley Charter Trustees
4. Civic
5. Office Equipment
6. Christmas Lights

5.4 We note that the register did not include a column for replacement value. This column form part of the register which can be used to record replacement values for each individual asset for insurance purposes and this can assist with forward planning for asset replacement.

5.5 A sample of asset purchases were cross-referenced with the invoices to ensure that the purchase cost price net of VAT had been recorded. Some invoices could not be located to match the date acquired recorded in the asset register and other assets recorded the acquired date as 'Spring 2021'. A review of the cashbook confirmed that some assets had not been included on the asset register, for example:

- 09/11/2021 – W Boyes & Co Limited - £17.08 + VAT – padlocks
- 29/11/2021 – W Boyes & Co limited - £33.32 + VAT – 2 heaters
- 2,000 hand waving flags. Net cost £6,420 + VAT

5.6 During the audit we discussed the inclusion of the 2,000 hand waving flags on the asset register. Although the guidance is not clear in the practitioners guide and in the absence of an asset register policy, we have recommended that the flags are added to the register due to the significant value. Although short term, these should be treated as a fixed asset and be shown on the Asset Register. It is understood that at the Jubilee event some or all of the flags will be used by June 2022. Once this has taken place then the flags can be classified differently depending on the numbers left after the event. The issue would be if these were stolen now before the event, therefore it is our opinion that they are recorded as an Asset owned by the Council.

5.7 We discussed with officers items that had not been included in the register for example padlocks and heaters. In the circumstances where the council and/or officers consider it is inappropriate to record an asset on the register due to the low value of the item or items that do not meet the definition of a 'fixed asset' then consideration should be given to adopting an Asset Register policy that would determine the procedures for maintaining the register, items and values for inclusion. The policy should include the asset management guidance contained within the practitioners guide and the policy should state a minimum value of items for inclusion in the register and procedures for including items that don't meet the value threshold but are of significant community value. An example of an Asset Register policy was shared with the Acting Clerk/RFO for illustrative purposes.

5.8 It is recommended that further improvements are made to the asset register to record a detailed description of item locations. For example 'Grit Bin' purchased 01/03/2022 states the location as 'Around Town'. This description should have sufficient detail to enable the item to be located or include a reference to a separate spreadsheet where additional details are recorded. Where the asset register refers to more than one item location for example 74 barrier baskets, this should be linked to a breakdown of the separate locations. It is noted that the council has not undertaken a physical check of assets in compliance with Financial Regulation 14.6 to verify their physical existence. In accordance with the regulations this should be undertaken at least once annually and possibly in conjunction with a health and safety inspection of assets. Consideration should be given to inserting an additional column to record 'Custodian' details and each individual asset could be assigned to a responsible officer and committee.

5.9 As the asset register is not complete and accurate at the financial year-end, we must tick 'No' to objective control area H.

<b>RECOMMENDATION</b>	
<b>R1:</b>	That the asset register document is reviewed to ensure accuracy of information is recorded for purchases and date acquired. A full review of the cashbook should be undertaken to ensure that the asset register includes the purchases of all fixed assets during the year (items for padlocks, heaters and flags to be included in the register). The asset value in box 9 of the accounting statement would need to be updated accordingly to reflect the changes in asset values.
<b>R2:</b>	That the refreshed asset register is further developed and that improvements are made to include the following information: 1) A detailed description of the item location or a note to reference where the detailed item location is recorded ie reference to a separate spreadsheet tab  2) A column to include quantity against the asset description. For example 'dog waste dispensers' doesn't refer to how many exist.  3) A column to include a replacement value for insurance and asset replacement purposes.  4) A column to assign custodian officer and committee responsible for the asset.

### Year-End Accounting Statements

**Internal Control Objective:** Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

**Aim:** Obtain assurance that accounts prepared on correct statements (income and expenditure, debtors and creditors, over £200,000) or (summary receipts and payments, under £200,000) and that working papers can be followed through to final document.

## 5.10 Year End Accounting Statements and Supporting Documentation

5.11 The year-end accounts were prepared by the Finance Officer using the RBS Omega Accounting Software and with remote support from a consultant from RBS. The accounts continue to be prepared on an income and expenditure basis.

- 5.12 The accounting statement balances for the last financial year ending 31 March 2021 were reviewed against last years signed and approved accounting statement to ensure that the correct data had been recorded, see link: [SKM\\_C36821061018020 \(beverley.gov.uk\)](https://www.beverley.gov.uk/SKM_C36821061018020). The figures had been correctly recorded in last year's column.
- 5.13 The figure in box 4 'Staff Costs' was reviewed to ensure this included the correct data. The practitioners guide states the following are not staff costs for the purpose of Line 4; mileage and other travelling and subsistence allowances, "Homeworking allowance" that is, an allowance paid to cover the extra costs of working from home, the provision of work related training, the reimbursement of childcare or other carers costs, the reimbursement of a staff members subscription to the Society of Local Council Clerks, the provision of office supplies such as laptop, scanner or stationery and consultants and agency staff.
- 5.14 We note that the figure of £106,966 included the home working allowance for employees. During the audit we had recommended that the costs of the home working allowance would need to be removed from the total and re-coded on the RBS system and be recorded in box 6 'other payments'. The figure in box 6 would need to be revised accordingly. Guidance was provided to the Finance Officer during the audit and the changes were made during the audit an updated copy was provided.
- 5.15 The AGAR accounting statement figures were reviewed with underlying financial records printed out from the RBS accounts software. No issues were identified.
- Debtors – none recorded
  - Prepayments – balance of £936.00. Working paper was enclosed.
  - VAT – balance of £13,029 – Q3 VAT was submitted for £13,029.18 (rounded to £13,029).
  - Accruals – balance of £41,668 – Working paper was enclosed. Journal detail reviewed.
  - Allotment Bonds - £4,451 recorded on balance sheet. Working paper was provided.
- 5.16 The year-end cash and reserves balances were reviewed against the bank statements and data recorded in box 8 totalling £742,528. No issues were identified. Summary of bank balances at 31<sup>st</sup> March 2022:
- £281,208.61 – Current Account (Money Virgin)
  - £25,470.92 – Reserves Account deposit (Money Virgin)
  - £1,500.67 – Youth Support Account (Money Virgin)
  - £84,163.06 – Beverley Building Society Bond
  - £350,184.43 – Public Sector Deposit Fund
- 5.17 The total fixed assets was recorded as £244,621 at 31 March 2022 variance of £53,125 in comparison to the fixed asset total recorded at the last year ending 31 March 2021. Although the asset register document highlighted the new additions during the financial year, we would recommend that this figure is revised once the cash-book entries are reviewed to include all fixed assets purchased during the year as referenced in the earlier part of the report.
- 5.18 The councils total assets less current liabilities at the 31<sup>st</sup> March 2022 were recorded as £710,374. This included a general fund balance of £73,167 and earmarked reserves totalling £637,207. A general reserve is normally held to finance unexpected or emergency expenditure and a council is expected to maintain a balance of 3 months reserve (for councils with a net revenue expenditure exceeding £200,000). It noted that the general reserve at year-end is slightly higher that the recommended level which was calculated as £68,224 based on a precept of £272,894.
- 5.19 Earmarked reserves must be genuine and held for intended purposes, and their level should be subject to regular review and justification (at least annually), and should be separately identified. EM reserves are generally held to finance future plans and projects. The Town Council has identified a range of earmarked reserves (see breakdown of the reserves balances held at year-end). In our last year audit we

had recommended that the Town Council adopts a General Reserves policy which we note is in progress. We would recommend that this policy incorporates the management of Earmarked reserves, their intended purposes, procedures for review and control.

<b>Balance Sheet - General Reserve</b>	£73,167.00		
		<b>£73,167.00</b>	
<b>Earmarked Reserves</b>			<b>Intended Purpose</b>
Building Jan 2021 - CCLA	£350,000.00		Future purchase of offices due to current venue rented
Transport Jan 22	£2,500.00		Potential future purchase of new van
Election Costs Jan 22	£12,000.00		Local elections in 2023 due to previous allocated amount being spent on unexpected by-elections
Town Event Jan 22	£38,681.00		Platinum Jubilee Event 2022
Food Festival Jan 22	£10,000.00		Food Festival event organiser (contracted) for 2022
Staff Jan 22	£7,500.00		Potential additional costs relating to the post of Town Clerk
New Tele System Jan 22	£2,000.00		New internal telephone system - unable to carry out in 2021 so moved to 2022
Cllr Training Jan 22	£1,600.00		Future councillor training and conference attendance
Skatepark Jan 22	£70,927.00		Refurbishment of skate park (tenders to potential businesses currently out)
Flagpoles Jan 22	£1,500.00		Purchase and installation of two free standing flagpoles
Floral Display Jan 22	£4,800.00		Additional floral displays in areas not currently otherwise covered
Dog Waste Bags Jan 22	£7,000.00		Purchase of bags for dog waste bag dispensers
Bev Beck cont Oct 2021	£1,500.00		Contribution to future project along Beverley Beck (i.e. a form of nature trail with related sculpture and interpretation boards)
Grants - Jan 22	£29,120.00		Future costs of three-year Strategic Partnership Grants
CCTV Maint Jan 22	£500.00		Future CCTV maintenance
Streetlighting Imp22	£4,000.00		Future potential additional street lights based on community requests/need
Street Furniture Jan 22	£7,435.00		Future potential street furniture additions
Cycle Racks - Jan 22	£1,000.00		Future cycle rack with artistic/sculptural aspects
Town Entry Signs - Jan 22	£15,000.00		New town entry signs
Toilets Jan 22	£10,000.00		Potential future project to provide new public toilet facilities
Legal Fees - Jan 22	£6,540.00		To cover future legal fees relating to allotment site land registry and boundary issues
Matched Funding Jan 22	£7,750.00		To support any external applications for funding to afford future projects that may arise over the year and are not otherwise budgeted for
St John of Bev Jan 22	£554.00		Tree planting project to mark the life of St John of Beverley and as part of Platinum Jubilee celebrations



Pride Event	£2,000.00		Potential Pride Event in 2023
Infrastructure Christmas	£6,000.00		Additional works to the electrical and technical infrastructure of Christmas Lights
New Christmas Lights	£10,000.00		Additional lighting displays for Christmas that may also be used year-round
Street Lighting	£2,750.00		Additional street lighting requirements (e.g. a currently evolving project to preserve historic lamp posts owned by the Town Council which require work above that of a general lighting SLA)
Cllrs Travel	£400.00		Future travel for councillors outside of parish boundary (e.g. to conferences now the pandemic rules regarding large gatherings have been relaxed).
Members Allowances	£2,000.00		Councillor allowances
Officer Travel	£400.00		Additional officer travel now that increased movement as part of duties following Covid working from home
Officer Training	£1,750.00		Additional and enhanced officer training as recommended in internal audits
Stationary	£500.00		Additional stationary to support events
Photocopier	£2,000.00		Additional photocopying, especially to promote events, etc. following pandemic.
Telephone	£500.00		Additional phonline charges now more officer time being spent in office rather than home working
Pancake Race	£500.00		Community Event in 2023
Staff Mobiles	£150.00		Additional cost of staff mobiles (e.g. data to send images from allotments, etc.)
Postage	£300.00		Additional postage to support events
Publicity	£1,000.00		Additional promotion not of specific events, but to market Beverley itself re tourism
Ext Audit 19 20	£800.00		Cover potential additional external audit costs following investigations that are still ongoing
Room Hire	£1,300.00		Additional room hire due to council meeting room still being too small to safely meet re Covid.
Utilities	£1,500.00		Additional utility costs not previously anticipated
Alarm	£300.00		Costs to alarm and electronic door entry system
Youth	£1,000.00		Support potential youth project with external agency
Maintenance Contractors	£7,000.00		Additional work required to be carried out by maintenance contractor, such as unexpected tree works, etc.
CCTV New Purchases	£3,150.00		Additional future CCTV purchase
		<b>£637,207.00</b>	
<b>Total General + Earmarked Reserves</b>		<b>£710,374.00</b>	



5.20 The pro-forma document for the explanation of significant variances was reviewed. Explanations are required for a variance of 15% and for all variances of £100,000 or more regardless of the % variance. Boxes 3,7,8 and 9 required an explanation. We noted that the figures in the pro-forma would need to be updated once the changes above are made to the accounting statement. The external auditor requires an explanation that comprises of both narrative and numerical explanations. It is noted that although a numerical breakdown was attached, the explanation provided in the narrative was not entirely clear. It is recommended that the narrative for the explanations for significant variances are reviewed prior to submission for external audit.

RECOMMENDATION	
<b>R3:</b>	That a general reserve policy is adopted to ensure that the level of reserves is appropriate to the size and situation of the council and to enable budget planning. The policy to incorporate the management of Earmarked reserves, their intended purposes, procedures for review and control.
<b>R4:</b>	That the narrative for the explanations for significant variances are reviewed prior to submission for external audit to include a better level of detail.

### Transparency Code

**Internal Control Objective:** The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements.

**Aim:** Review the council website and obtain evidence of published documents in accordance with the requirements of the Local Government Data Transparency Code

## 5.21 Transparency Code

5.22 Internal control objective L is new for the 2021/22 financial year relating to the transparency code. To summarise, the Government has published the 'Local Government Transparency Code' as a code of recommended practice under section 2 of the Local Government, Planning & Land Act 1980. This Code, which can be found at [Title \(publishing.service.gov.uk\)](http://publishing.service.gov.uk) came into effect on the 01 April 2015. This is applicable to parish and town councils where gross income or gross expenditure exceeds £200,000. The Code does not replace or supersede the existing framework for access to and re-use of public sector information provided by the:

- Freedom of Information Act 2000 (as amended by the Protection of Freedoms Act 2012)
- Environmental Information Regulations 2004
- Re-use of Public Sector Information Regulations 2005
- Infrastructure for Spatial Information in the European Community regulations 2009
- Sections 25 and 26 of the Local Audit and Accountability Act 2014 which provides rights for persons to inspect a local authority's accounting records and supporting documentation, and to make copies of them.

5.23 The Code provides for publication of a comprehensive set of information, including Unique Property Reference Numbers of land and building assets (principal authorities may be able to help with these). There is no prescribed Code for councils where gross turnover is between £25,000 and £200,000 but all councils must have a Publication Scheme complying with the Information Commissioner's requirements.

5.24 Checks were carried out on the town council website to review evidence of published documents in accordance with the requirements of the code for information to be published. The findings are summarised in the table.

Title	Frequency and requirement
<p><b>Expenditure exceeding £500</b></p>	<p><b>Quarterly publication</b>            Publish details of each individual item of expenditure that exceeds £500, including items of expenditure, consistent with Local Government Association guidance, such as:</p> <ul style="list-style-type: none"> <li>• individual invoices</li> <li>• grant payments • expense payments</li> <li>• payments for goods and services</li> <li>• grants • grant in aid</li> <li>• rent • credit notes over £500</li> <li>• transactions with other public bodies.</li> </ul> <p>For each individual item of expenditure the following information must be published:</p> <ul style="list-style-type: none"> <li>• date the expenditure was incurred</li> <li>• local authority department which incurred the expenditure • beneficiary</li> <li>• summary of the purpose of the expenditure • amount</li> <li>• Value Added Tax that cannot be recovered • merchant category (eg. computers, software etc)</li> </ul>
	<p><b>Internal Audit Findings:</b>            Whilst we found that payment details are disclosed in agendas and minutes that are uploaded on the website, they do not specifically meet the publication requirements.</p>
<p><b>Procurement Information</b></p>	<p><b>Quarterly publication</b>            Publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. For each invitation, the following details must be published:</p> <ul style="list-style-type: none"> <li>• reference number • title</li> <li>• description of the goods and/or services sought</li> <li>• start, end and review dates • local authority department responsible.</li> </ul> <p><b>Quarterly publication</b>            Publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:</p> <ul style="list-style-type: none"> <li>• reference number</li> <li>• title of agreement • local authority department responsible</li> <li>• description of the goods and/or services being provided</li> <li>• supplier name and details • sum to be paid over the length of the contract or the estimated annual spending or budget for the contract</li> <li>• Value Added Tax that cannot be recovered</li> <li>• start, end and review dates • whether or not the contract was the result of an invitation to quote or a published invitation to tender</li> <li>• whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.</li> </ul>
	<p><b>Internal Audit Findings:</b>            We found that although contract information is published, it is not published with the specific requirements of the code, see links:</p> <ul style="list-style-type: none"> <li>• <a href="#">Contractors   Beverley Town Council</a></li> <li>• <a href="#">Tenders   Beverley Town Council</a></li> </ul>

**Local authority land**

**Annual publication**

Publish details of all land and building assets including:

- all service and office properties occupied or controlled by user bodies, both freehold and leasehold
- any properties occupied or run under Private Finance Initiative contracts
- all other properties they own or use, for example, hostels, laboratories, investment properties and depots
- garages unless rented as part of a housing tenancy agreement
- surplus, sublet or vacant properties
- undeveloped land
- serviced or temporary offices where contractual or actual occupation exceeds three months
- all future commitments, for example under an agreement for lease, from when the contractual commitment is made

For each land or building asset, the following information must be published together in one place:

- Unique Property Reference Number
- Unique asset identity - the local reference identifier used by the local body, sometimes known as local name or building block. There should be one entry per asset or user/owner (eg. on one site there could be several buildings or in one building there could be several users, floors/rooms etc – where this is the case, each of these will have a separate asset identity). This must include the original reference number from the data source plus authority code
- name of the building/land or both
- street number or numbers - any sets of 2 or more numbers should be separated with the ‘-’ symbol (eg. 10-15 London Road)
- street name – this is the postal road address
- post town and United Kingdom postcode
- map reference – local authorities may use either Ordnance Survey or ISO6709 systems to identify the location of an asset, but must make clear which is being used. Where an Ordnance Survey mapping system is used (the grid system) then assets will be identified using Eastings before Northings. Where geocoding in accordance with ISO 6709 is being used to identify the centre point of the asset location then that reference must indicate its ISO coordinates
- whether the local authority owns the freehold or a lease for the asset and for whichever category applies, the local authority must list all the characteristics that apply from the options given below: for freehold assets:
  - occupied by the local authority
  - ground leasehold
  - leasehold
  - licence
  - vacant (for vacant properties, local authorities should not publish the full address details and should only publish the first part of the postcode)

For leasehold assets:

- occupied by the local authority
- ground leasehold
- sub leasehold
- licence for other assets:
- free text description eg. rights of way, access etc.
- whether or not the asset is land only (without permanent buildings) or it is land with a permanent building.

**Internal Audit Findings:**

We found that although land information is published, it is not published with the specific requirements of the code, see link: [Land Assets Register | Beverley Town Council](#)

<b>Grants to voluntary, community and social enterprise organisations</b>	<p><b>Annual publication</b>  Publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either:</p> <ul style="list-style-type: none"> <li>• tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information, or</li> <li>• by publishing a separate list or register.</li> </ul> <p>For each identified grant, the following information must be published as a minimum:</p> <ul style="list-style-type: none"> <li>• date the grant was awarded</li> <li>• time period for which the grant has been given</li> <li>• local authority department which awarded the grant</li> <li>• beneficiary</li> <li>• beneficiary's registration number</li> <li>• summary of the purpose of the grant</li> <li>• amount</li> </ul>
<p><b>Internal Audit Findings:</b>  We note that a grants page is set up on the website but this does not include publication of the grant information required by the code, see link: <a href="#">Town Council Community Grants   Beverley Town Council</a></p>	
<b>Organisation chart</b>	<p><b>Annual publication</b>  Publish an organisation chart covering staff in the top three levels of the organisation. The following information must be included for each member of staff included in the chart:</p> <ul style="list-style-type: none"> <li>• grade • job title</li> <li>• local authority department and team</li> <li>• whether permanent or temporary staff • contact details</li> <li>• salary in £5,000 brackets, consistent with the details published for Senior Salaries</li> <li>• salary ceiling (the maximum salary for the grade).</li> </ul> <p>* This should exclude staff whose salary does not exceed £50,000.</p>
<p><b>Internal Audit Findings:</b>  There is a page set up for 'Officers' however this does not include the organisation chart, see link: <a href="#">Council Officers   Beverley Town Council</a></p>	
<b>Pay Multiple</b>	<p><b>Annual publication</b>  Publish the pay multiple on their website defined as the ratio between the highest taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole of the authority's workforce. The measure must:</p> <ul style="list-style-type: none"> <li>• cover all elements of remuneration that can be valued (eg. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)</li> <li>• use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year</li> <li>• exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.</li> </ul>
<p><b>Internal Audit Findings:</b>  This information could not be located from the website.</p>	
<b>Waste Contracts</b>	<p><b>One-off publication</b>  Local authorities must publish details of their existing waste collection contracts, in line with the details contained in paragraphs 32 of the Code, at the point they first publish quarterly contract information under Part 2 of this Code.</p>
<p><b>Internal Audit Findings:</b>  This information could not be located from the website.</p>	

5.25 There were several publication requirements not applicable to Beverley Town Council:

1. Government Procurement Card transactions
2. Social Housing Asset Value
3. Trade Union Facility
4. Parking Account
5. Parking Spaces
6. Senior Salaries
7. Constitution
8. Fraud

5.26 Overall we found that whilst the council has attempted to comply with the transparency code, the published information does not specifically meet the publication requirements. We would recommend that a dedicated website page is set-up on the town council website that could be referenced as the 'Transparency Code' which would set out the published information with internal website links to other pages within the website where applicable. As the council is not fully complying with the transparency code we must tick 'No' to internal control objective L.

### RECOMMENDATION

<b>R5:</b>	That a dedicated website page is set-up on the town council website that could be referenced as the 'Transparency Code' which would set out the published information with internal website links where applicable. The information to be published within the frequencies stipulated and the guidance referenced within the transparency code.
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### Exercise of Public Rights (previous year)

**Internal Control Objective:** The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).

**Aim:** Obtain assurance that the Council has advertised the dates for the inspection of public rights correctly.

## 5.27 Public Rights Inspection Period for 2020/21 Financial Year

Internal Audit Testing	Compliance	Comments
Do arrangements for public inspection of council's records exist? The inspection window must include a 30-working day period including the first 10 working days of July following the end of the financial year to which the accounts relate.	Yes	It is recommended that the pro-forma document provided by the external auditors is completed in future to advertise the exercise of public rights, see link: <a href="https://www.pkf-l.com/wp-content/uploads/2022/03/16-Making-provision-for-the-exercise-of-public-rights-2021-22.docx">https://www.pkf-l.com/wp-content/uploads/2022/03/16-Making-provision-for-the-exercise-of-public-rights-2021-22.docx</a>
Evidence of public inspection notice seen? And website address.	Yes	
Did the council minute the relevant dates for the exercise of public rights at the same time as approving the AGAR?	Yes	Full council minutes dated 07 <sup>th</sup> June 2021, minute reference: 26.8

## Publication Requirements 2020-21 AGAR

**Internal Control Objective:** The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (*evidenced by the notice published on the website and/or authority approved minutes confirming the dates set*).

**Aim:** Review evidence for publication: AGAR to be approved and published by 01 July 2021 at the very latest. External Audit Certificate and Conclusion of Audit of Notice to be posted on the council website by 30 September 2021.

### 5.28 Public Rights Inspection Period for 2020/21 Financial Year

Documents Reviewed	Compliance	Comments / Recommendations
<ul style="list-style-type: none"> <li>Notice of the period of exercise rights and a declaration that the accounting statements are as yet unaudited.</li> </ul>	No	<p>Although the period of exercise rights was advertised this did not include a declaration that the accounting statements are as yet unaudited, see link: <a href="https://www.beverley.gov.uk/SKM_C36821061018081">SKM_C36821061018081 (beverley.gov.uk)</a>. In future if the council completes the pro-forma documents provided by the external auditor, it will meet the compliance for this area.</p> <p><i>*Note – after sharing the draft report with officers the correct notice was uploaded on the website – see link: <a href="https://www.beverley.gov.uk/SKM_C36821061018540">SKM_C36821061018540 (beverley.gov.uk)</a></i></p>
<ul style="list-style-type: none"> <li>Section 1 – Annual Governance Statement 2020/21 approved and signed.</li> </ul>	Yes	See link: <a href="https://www.beverley.gov.uk/SKM_C36821061018020">SKM_C36821061018020 (beverley.gov.uk)</a>
<ul style="list-style-type: none"> <li>Section 2 – Accounting Statements 2020/21 approved and signed.</li> </ul>	Yes	See link: <a href="https://www.beverley.gov.uk/SKM_C36821061018020">SKM_C36821061018020 (beverley.gov.uk)</a>
<ul style="list-style-type: none"> <li>Notice of conclusion of audit</li> </ul>	No	This could not be located from the website.
<ul style="list-style-type: none"> <li>Section 3 – External Auditor Report and Certificate</li> </ul>	No	<p>This could not be located from the website.</p> <p><i>*Note – after sharing the draft report with officers the correct notice was uploaded on the website – see link: <a href="https://www.beverley.gov.uk/External-Audit-Interim-Report-2020-2021.pdf">External-Audit-Interim-Report-2020-2021.pdf (beverley.gov.uk)</a></i></p>
<ul style="list-style-type: none"> <li>Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review</li> </ul>	Not applicable	

5.29 Due to the findings above, we must tick 'No' as the response for this internal control area.

## RECOMMENDATION

<b>R6:</b>	That the pro-forma document provided by the external auditor is completed in future to advertise the exercise of public rights.
<b>R7:</b>	That the notice of conclusion of audit and external auditor certificate for the 2020/21 financial year is uploaded on the town council website.

## 6. Other Matters

### 6.1 Gas Supply

In our last interim audit report we raised matters relating to the gas supply that were brought to our attention. The Acting Clerk had informed us that the Council does not have a gas supplier, despite using and receiving gas since 2004. We are notified that this matter has now been resolved. The back-payment of £17,200.64 including VAT has been paid to cover the use since 2004 and a new supplier has been sourced.

### 6.2 External Audit - Additional Fees

We note that whilst the council has allocated £800.00 towards the costs of the external audit challenge correspondence relating to the 2019/20 and 2020/21 financial year accounts, the costs are likely to accumulate with ongoing work being carried out by the external audit team. We would recommend that an update relating to the costs is obtained from PKF Littlejohns and that monies are set aside to fund this expenditure.

## RECOMMENDATION

<b>R8:</b>	That an update is obtained from PKF Littlejohn's relating to the costs of the additional external audit fees due to the challenge correspondence received and that the council allocates money to fund this expenditure.
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# Beverley Town Council

## Recommendations – Year-End Internal Audit Report 2021/22

### 1. Appendix A – Recommendations Action Plan

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
1	That the asset register document is reviewed to ensure accuracy of information is recorded for purchases and date acquired. A full review of the cashbook should be undertaken to ensure that the asset register includes the purchases of all fixed assets during the year (items for padlocks, heaters and flags to be included in the register). The asset value in box 9 of the accounting statement would need to be updated accordingly to reflect the changes in asset values.	4			
2	That the refreshed asset register is further developed and that improvements are made to include the following information: 1) A detailed description of the item location or a note to reference where the detailed item location is recorded ie reference to a separate spreadsheet tab  2) A column to include quantity against the asset description. For example ‘dog waste dispensers’ doesn’t refer to how many exist.  3) A column to include a replacement value for insurance and asset replacement purposes.  4) A column to assign custodian officer and committee responsible for the asset.	4			
3	That a general reserve policy is adopted to ensure that the level of reserves is appropriate to the size and situation of the council and to enable budget planning. The policy to incorporate the management of Earmarked reserves, their intended purposes, procedures for review and control.	8			
4	That the narrative for the explanations for significant variances are reviewed prior to submission for external audit to include a better level of detail.	8			

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
5	That a dedicated website page is set-up on the town council website that could be referenced as the 'Transparency Code' which would set out the published information with internal website links where applicable. The information to be published within the frequencies stipulated and the guidance referenced within the transparency code.	12			
6	That the pro-forma document provided by the external auditor is completed in future to advertise the exercise of public rights.	14			
7	That the notice of conclusion of audit and external auditor certificate for the 2020/21 financial year is uploaded on the town council website.	14			
8	That an update is obtained from PKF Littlejohn's relating to the costs of the additional external audit fees due to the challenge correspondence received and that the council allocates money to fund this expenditure.	14			