



Bray Parish Council

Internal Audit Report 2024-25 (Interim)

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Director

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Background

Statute requires all town and parish councils to arrange for an independent Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the initial work undertaken in relation to the 2024-25 financial year both at our offices in advance of and subsequent to our interim review visit to the Council on 10th January 2025. We are sorry to hear that the Clerk has been on sick leave for a few weeks in recent months: we note that she is now on a phased return to work currently working 15 hours per week. We wish her well and trust she will make a speedy recovery and thank her for providing all necessary information in a combination of electronic and hard copy format to assist in our progressing this interim review.

This report will be updated following our final review visit for the year which will be timed to follow closedown of the Scribe accounts.

Internal Audit Approach

In undertaking our review, we have, as previously, had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / AGAR. Detail of the areas examined to date is set out in the following detailed report.

Our programme of cover is designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'IA Certificate' in the Council's AGAR, which requires independent assurance over the range of specified internal control objectives.

Overall Conclusion

We have concluded that, based on the work undertaken to date, the Clerk and Council continue to operate generally adequate and effective internal control arrangements, although we have identified a few areas where we consider the Clerk's workload on data entry into the Scribe accounts could be reduced, together with a few other issues in relation to the production of monthly pay detail for the financial year as detailed in the body of the report with recommendations reiterated in the appended Action Plan.

We ask that this report be presented to the Council as required by the Accounts and Audit Regulations: we also ask that formal responses are provided to the recommendations set out in the attached appendix in advance of our final review visit.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

As recorded last year, the Clerk switched to use of the Scribe accounting software with effect from 1st April 2023 and kindly arranged with the software supplier for us to have read only access to the detail. The Council operates two bank accounts with Lloyds (Treasurers & Precept), plus additional accounts with the CCLA Public Sector Deposit Fund (PSDF), the Nationwide Building Society and Unity Trust Bank.

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. Consequently, we have:

- Agreed the 2024-25 opening balances in the financial software with the closing detail for 2023-24 recorded in that year's accounts / AGAR;
- Reviewed the coding structure for appropriateness;
- Discussed arrangements for backing up the accounting records, which is done automatically to the Scribe Accounting "Cloud" based system;
- Examined the year-to-date Receipt and Payment "cashbooks" agreeing detail to the supporting bank statements;
- Noted that a monthly composite bank reconciliation is prepared on the bank accounts with detail reviewed and signed-off by councillors during the course of the year; and
- Agreed the content of a sample of bank reconciliations up to and including 31st December 2024.

In undertaking the above review, we have noted that monthly invoices for two traders (S Taylor and RJC) in relation to grounds maintenance and associated work for the Council each include some 20 separately invoiced activities each month during the year. Whilst several of the individual invoiced entries relate to the same Scribe cost centre, detail is being entered into Scribe separately for each listed item resulting in significant work for the Clerk in entering data this way. It also makes the task of reconciling the Scribe accounts to bank statements more laborious with some 20 lines of detail being recorded in the Scribe payments "cashbook" monthly for each of these two traders for each payment being processed.

To simplify the entry of data to Scribe, we suggest that, where individually invoiced items are to be coded to the same cost centre, they be grouped together and entered in the "cashbook" as a single line entry. We also suggest that the Clerk speaks to Scribe to determine if there is a means of entering the full invoice cost in the "cashbook" as a single entry and allocating expenditure accordingly to individual cost centres which would, as a minimum, hopefully ease the Clerk's workload and simplify the task of reconciling entries to bank statements.

We also note that single monthly invoices for a few other traders, such as IT QED Ltd, are being entered into the payment's cashbook on several lines, even though their detail only requires analysis across one or two cost centres. A similar approach as suggested above, could / should then be applied to entry of their detail in Scribe.

We similarly note that, in relation to staff employment costs, separate cost centres are in place for each member of staff, together with separate cost centres for each staff member in relation to net pay, tax, NI Employees (Ees) and NI Employers (Ers) costs and, similarly, Ees and Ers pension costs: separate cost centres are also in use for each staff member's car expenses. Whilst acknowledging that payments to individual staff members will need to identify the separate cost centres for staff net pay and travel /

misc. expenses, as only direct employment costs should be reported at Box 6 of the AGAR ("The Practitioner's Guide" refers), the need to operate a separate cost centres for each element of staff member's net pay, tax, NI and pension costs (Ees & Ers) generates significant work for the Clerk and is of questionable benefit. Should the need to arise to identify the various elements of staff pay, etc, the information can easily be extracted from the Scribe software with, we suggest, only separate cost centres in use to record total monthly transactions under the following headings: - net staff pay, staff miscellaneous expenses (including travel costs) and payments to HMRC and the Pension Fund Administrators.

Finally, we have also noted that the entry of allotment receipts for those senior citizen tenants is recorded as two entry lines each in the Scribe "Receipts cashbook", one showing the full rent due (as though they were not seniors) and the approved 50% fee reduction. Again, the need to record both the full fee and discount applied as two separate entries in the Scribe "Receipts cashbook" detail appears to be unnecessary as the Scribe allotments software affords detail of the discounted fees due for each plot at the two sites and the discount applied.

Conclusions and recommendations

As indicated above, we consider that a more simplified approach should be applied to recording detail in the Scribe accounts "cashbooks" with, for suppliers whose invoices include several separate charges each month, but relating to the same cost centre, the costs allocated to the same cost centres totalled and entered as a single line for each such cost centre. Similarly, the coding of the various elements of staff costs should be simplified.

- R1. Wherever possible for individual purchase invoices including several separately analysed lines of fees, where such fees are to be allocated to the same cost centre in Scribe, the total for each such cost centre should be calculated and entered as a single line in the Scribe "payments cashbook".*
- R2. The analysis of costs associated with staff pay should similarly be rationalised as indicated in the body of the report.*
- R3. The value of the discounted allotment rents received from senior citizens receiving should also be entered as a single (50% by value) entry, rather than the full rent due and a separate line listing the discount applied.*

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust series of corporate governance documentation and procedures in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we may reasonably be expected to ascertain as we do not attend meetings, no actions of a potentially unlawful nature have been or are being considered for implementation.

We have reviewed the Council and standing Committee meetings' minutes for the year to date by reference to the website with no issues identified at this stage.

We note that the Council has re-adopted its Standing Orders (SOs) and Financial Regulations (FRs) at the Council meeting in July 2024. We have examined the content of the documents noting that they are in line with the then extant NALC model documents. We have drawn the Clerk's attention to the recent revision by NALC of their model FRs and note the intention to review the Council's extant document and update it accordingly in the near future.

Finally in this area, we note that the external auditors have signed-off the 2023-24 AGAR with no issues raised: we have also ensured compliance with the requirements of the Accounts and Audit Regulations 2015 with the 2023-24 Notice of Public Rights duly posted on the Council's website for the requisite 30 working days.

Conclusions and recommendation

We are pleased to record that no significant issues or concerns have been identified in this review area this year, although we urge that the intended review and update of the FRs be undertaken as soon as practicable with detail brought into line with the latest NALC model document. We shall continue to review the Council's approach to governance issues, also reviewing minutes covering the remainder of the financial year, at our final review.

R4. The Council's Financial Regulations should be reviewed and brought into line with the recently promulgated revised NALC model document duly adapted to reflect local circumstances where applicable.

Review of Expenditure

Our aim here is to ensure that:

- Council resources are released in accordance with the Council's approved procedures and approved budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- That members are provided with and approve schedules of payments made;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and
- That all recoverable VAT is appropriately identified for inclusion in the reclaims submitted to HMRC for recovery at quarterly intervals.

We have again discussed with the Clerk the arrangements for processing payments confirming that invoices are subject to member review and online release with the Clerk setting them up online. We are pleased to note that all invoices continue to be stamped with a suitably designed certification stamp which is signed-off / certified by the Clerk and one or two councillors.

To gain assurance in this area we have examined a sample of 35 payments processed in the year to 31st December 2024 including all payments individually in excess of £1,500 plus every 30th payment, as recorded in the Scribe payment listings. The test sample totals £139,700 equating to 78% by value of all non-salary payments to the above date.

We also note that VAT Returns continue to be compiled and submitted to HMRC quarterly and have ensured recovery of the final 2023-24 reclaim and those for the quarters ended 30th June and September 2024.

Conclusions

No matters arise in this area currently other than the issues referred to in the first section of this report: we shall extend our test sample of payments at our final visit to cover the remainder of the year applying the same selection criteria, also checking further quarterly VAT reclaims.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

The Council's financial risk register was last reviewed and re-adopted during 2023-24. We note the intention to undertake a further review and re-adoption of the document prior to the current financial year-end.

We have examined the Council's 2024-25 Zurich insurance policy, noting that Employer's & Public Liability cover stand at £10 million and £12 million respectively, together with Fidelity Guarantee cover at £500,000 and a raft of insured assets and consider that appropriate cover remains in place.

Conclusions

We are pleased to record that no issues arise in this area currently: we shall continue to monitor the Council's approach to risk management at future visits, also ensuring the formal review and re-adoption of the risk register prior to the financial year-end.

Budgetary Control & Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from the Borough Council: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure.

This review visit took place in advance of the Council's formal deliberations on the budget and precept requirement for 2025-26: consequently, we shall revisit this aspect at our final review ensuring the appropriate deliberation and formal approval of both.

We note that members continue to be provided with detailed financial information regularly during the year to facilitate budget monitoring. We have examined the latest budget report at 31st December 2024 with no significant variances apparent at that date.

Conclusions

We are pleased to record that no issues or concerns arise in this area and will, as above at our final visit, examine the final year-end budget outturn seeking explanations for any significant variances that may arise between now and the financial year-end, also considering the ongoing appropriateness of the level of retained reserves to meet the Council's ongoing revenue spending plans and future development aspirations.

Review of Income

The Council's principal sources of income, other than the Precept, arise from cemetery activity, allotment rents and tennis court hire fees, bank interest and occasional car parking and open space hire fees, together with quarterly VAT recoveries. Our objective is to ensure that robust procedures are in

place to ensure that all income due to the Council is identified and invoiced (where applicable) appropriately with recovery effected within a reasonable time span. We have to date:

- Agreed the precept received into the Council's bank account to the amount set and approved per the Council's minutes;
- Examined documentation relating to the five burials occurring since 1st April 2024 ensuring that the appropriate cremation or burial certificates are held and agreeing the fees charged to the approved schedule of fees and charges with no issues arising; and
- Noted that allotment rent income has, as last year, been invoiced using the Scribe specialist software: we have checked detail of rents recorded as received in the year-to-date Scribe "Receipts cashbook" agreeing detail to the Scribe allotment register with no issues arising.

Conclusions

We are pleased to record that there are no matters arising requiring formal recommendation in this area currently. We shall undertake further work on the Council's income streams at our final review including the recovery and recording of tennis court hire fees and report any issues accordingly.

Petty Cash Account

The Council does not operate a petty cash account or hold any cash sums other than the occasional cash receipt for tennis court hire fees, which are banked accordingly: any "out-of-pocket" expenses incurred by officers or members are reimbursed through the normal suppliers' payments procedures.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the requirements of HMRC legislation and payment over of income tax and NI contributions, together with LGPS deductions and contributions payable to the respective agencies. To meet that objective, we have examined a sample of payslips during the year for each employee noting payment of the national pay award arrears with the October 2024 payroll run. Specifically, we have: -

- Ensured that staff are being paid at the approved hourly pay rate, noting that all are not being paid on an exact nationally agreed NJC spinal column point;
- Noted that all staff receive the "Outer London Fringe Allowance" (OLFA) paid pro rata for their contracted weekly hours: in this respect, we note that this allowance has not been uplifted to the value applicable from 1st April 2024 (we understand that the Clerk had not received any formal notification of the increased allowance value);
- Checked the calculation of tax and national insurance deductions to the relevant and applicable HMRC tables; and
- Ensured that pension contributions are being deducted at the appropriate percentage rate in accordance with the revised contribution bandings applicable from 1st April 2024.

In checking the detail on various payslips during the year we have noted that for the Interim Deputy Clerk, employed from May 2024, that the month's hours actually paid were significantly below those recorded on his time sheet for the month. Conversely, we have noted that the pay adjustment made with his October 2024 salary had been overcalculated resulting in an overpayment for that month. We have discussed the position with the Clerk who has agreed to recalculate his salary payable for each month of the year to date making the necessary adjustment in the January 2025 payroll run.

We have also discussed the value of OLFA to be applied for 2024-25 with the clerk who has agreed to recalculate the amounts payable to each employee for the year to date and make appropriate amendments with the January 2025 salary payments.

To simplify the calculation of staff basic salaries payable in future, we suggest that the Council reverts back to paying each staff member in accordance with the national salary scales rather than paying them on an ad hoc calculated rate of pay: to achieve that, staff should be assimilated to the nearest spinal point on the national salary scales. Where staff are working full time, calculation of the monthly gross salary payable would then be calculated based on the annual salary, plus the OLFA divided by 12 (months). Where staff are working part time, their monthly basic gross salary, including OLFA, should then simply be calculated by dividing their contracted weekly hours (e.g. 25) by 37 (the basic standard contracted weekly full time hours) and then by 12 (months): any overtime hours payable should then be multiplied the NJC advised hourly rate, which has been calculated, as advised by NALC, as the gross annual salary divided by 37 and then 52.143 (weeks in the year: i.e. 365/37).

Conclusions and recommendation

As indicated above, calculation of the interim Deputy Clerk's salary for the year to date requires recalculation and adjustment in the salary payable to him for January 2025. Similarly, the amount of OLFA payable to all staff for the year to date requires appropriate recalculation. Please also note that the OLFA is a fixed annual sum and is only payable on employees' contracted hours, excluding any overtime worked.

Whilst we have not identified any other errors in the calculations applied to other staff pay for the year to date, we suggest that the Clerk should review the detail of all staff monthly pay for the year to date as soon as practicable applying the above simplified method of calculating each part time employee's monthly salary for the year to date.

- R5. The Council should consider assimilating all staff onto an appropriate point on the nationally agreed NJC spinal column.*
- R6. The increased Outer London Fringe Allowance payable from 1st April 2024 should be applied to all staff salaries with adjustment for the underpaid amounts in the year-to-date and be paid in their next monthly salary payment.*
- R7. The interim Deputy Clerk's salary payable from the date of his appointment should be recalculated using the formula set out in the body of the report with any necessary adjustment made with the next monthly pay run.*
- R8. The Clerk should ideally also check all staff pay for the year to date applying the formula as set out in the body of the report and, should any calculation errors be identified, apply an appropriate adjustment to the next month's salary payable.*

Investments and Loans

Our objectives here are to ensure that the Council is investing "surplus funds", be they held temporarily or on a longer term basis, in appropriate banking and investment institutions, that an appropriate investment policy is in place, that the Council is obtaining the best rate of return on any such investments made, that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

As noted earlier in this report, we have checked and agreed the interest receipts for the financial year to date arising on the Council's investment accounts, (CCLA, Nationwide and Unity). We are also pleased to note that the Council has an approved investment policy in place.

The Council has no loans repayable either by or to it at present.

Conclusions

We are pleased to record that no issues arise in this area warranting formal comment or recommendation.

| Rec. No. | Recommendation | Response |
|---|---|----------|
| Review of Accounting Arrangements and Bank Reconciliations | | |
| R1 | Wherever possible for individual purchase invoices including several separately analysed lines of fees, where such fees are to be allocated to the same cost centre in Scribe, the total for each such cost centre should be calculated and entered as a single line in the Scribe "payments cashbook". | |
| R2 | The analysis of costs associated with staff pay should similarly be rationalised as indicated in the body of the report. | |
| R3 | The value of the discounted allotment rents received from senior citizens receiving should also be entered as a single (50% by value) entry, rather than the full rent due and a separate line listing the discount applied. | |
| Review of Corporate Governance | | |
| R4 | The Council's Financial Regulations should be reviewed and brought into line with the recently promulgated revised NALC model document duly adapted to reflect local circumstances where applicable. | |
| Review of Staff Salaries | | |
| R5 | The Council should consider assimilating all staff onto an appropriate point on the nationally agreed NJC spinal column. | |
| R6 | The increased Outer London Fringe Allowance payable from 1 st April 2024 should be applied to all staff salaries with adjustment for the underpaid amounts in the year-to-date and be paid in their next monthly salary payment. | |
| R7 | The interim Deputy Clerk's salary payable from the date of his appointment should be recalculated using the formula set out in the body of the report with any necessary adjustment made with the next monthly pay run. | |
| R8 | The Clerk should ideally also check all staff pay for the year to date applying the formula as set out in the body of the report and, should any calculation errors be identified, apply an appropriate adjustment to the next month's salary payable. | |



Bray Parish Council

Internal Audit Report 2024-25 (Final update)

Stuart J Pollard

Director

Auditing Solutions Ltd

Background

Statute requires all town and parish councils to arrange for an independent Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2024-25 financial year both at our offices in advance of and during our two visits to the Council on 10th January and 8th May 2025. We thank the Clerk for providing all necessary information in a combination of electronic and hard copy format to assist in the completion of our review for the year.

Internal Audit Approach

In undertaking the year's review, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / AGAR. Detail of the areas examined is set out in the following pages of this report.

Our programme of cover is designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'IA Certificate' in the Council's AGAR, which requires independent assurance over a range of specified internal control objectives.

Overall Conclusion

We have concluded that, based on the work undertaken this year, the Clerk and Council continue to operate generally adequate and effective internal control arrangements, although we have identified a few areas where we consider the Clerk's workload on data entry into the Scribe accounts could be reduced, together with a few other issues in relation to the production of monthly pay detail for the financial year as detailed in the body of the report with recommendations reiterated in the appended Action Plan.

We have duly signed off the IA section of the AGAR assigning positive assurance against each of the control objectives, except in relation to the formal review and re-adoption of risk registers during the year, which was overlooked due to the Clerk's lengthy sickness absence. The Council will, similarly, have to give a negative response at Box 5 of the AGAR Governance Statement.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

As recorded last year, the Clerk switched to use of the Scribe accounting software with effect from 1st April 2023 and kindly arranged with the software supplier for us to have read only access to the detail. The Council operates two bank accounts with Lloyds (Treasurers & Precept), plus additional accounts with the CCLA Public Sector Deposit Fund (PSDF), the Nationwide Building Society and Unity Trust Bank.

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. Consequently, we have:

- Agreed the 2024-25 opening balances in the financial software with the closing detail for 2023-24 recorded in that year's accounts / AGAR;
- Reviewed the coding structure for appropriateness;
- Discussed arrangements for backing up the accounting records, which is done automatically to the Scribe Accounting "Cloud" based system;
- Examined the year's Scribe Receipt and Payment "cashbooks" agreeing detail to the supporting bank statements;
- Noted that a monthly composite bank reconciliation is prepared on the bank accounts with detail reviewed and signed off by councillors during the course of the year; and
- Agreed the content of a sample of bank reconciliations up to and including 31st March 2025.
- Ensured the accurate disclosure of the combined account balances in the year's AGAR at Section 2, Box 8.

In undertaking the above review, we noted at our interim visit that monthly invoices for two traders (S Taylor and RJC) in relation to grounds maintenance and associated work for the Council each included some 20 separately identified monthly activities. Whilst several of the individual invoiced entries relate to the same Scribe cost centre, detail is being entered into Scribe separately for each listed item resulting in significant work for the Clerk in entering data this way. It also makes the task of reconciling the Scribe accounts to bank statements more laborious with so many lines of detail being recorded in the Scribe payments "cashbook" for each payment to the two traders.

To simplify the entry of data to Scribe, we suggest that, where individually invoiced items are to be coded to the same cost centre, they be grouped together and entered in the "cashbook" as a single line entry. We also suggested that the Clerk speak to Scribe to determine if there is a means of entering the full invoice cost in the "cashbook" as a single entry and allocating expenditure accordingly to individual cost centres which would, as a minimum, hopefully ease the Clerk's workload and simplify the task of reconciling entries to bank statements.

We also note that single monthly invoices for a few other traders, such as IT QED Ltd, are being entered into the payment's cashbook on several lines, even though their detail only requires analysis across one or two cost centres. A similar approach, as suggested above, should be applied to entry of their detail in Scribe.

We similarly note that, in relation to staff employment costs, separate cost centres are in place for each member of staff, together with separate cost centres for each in relation to net pay, tax, NI

Employees (Ees) and NI Employers (Ers) costs and, similarly, Ees and Ers pension costs. Whilst acknowledging that payments to individual staff members will need to identify the separate cost centres for staff net pay and travel / misc. expenses, as only direct employment costs should be reported at Box 6 of the AGAR ("The Practitioner's Guide" refers), the need to operate a separate cost centre for each element of each staff member's net pay, tax, NI and pension costs (Ees & Ers) again generates significant work for the Clerk and is of questionable benefit. Should the need arise to identify the various elements of staff pay, etc, the information can easily be extracted from the payslips with, we suggest, only separate cost centres in use to record total monthly transactions under the following headings: - net staff pay, staff miscellaneous expenses (including travel costs) and total monthly payments to HMRC and the Pension Fund Administrators.

Finally, we have also noted that the entry of allotment rent receipts for those senior citizen tenants is recorded as two entry lines each in the Scribe "Receipts cashbook", one showing the full rent due (as though they were not seniors) and the approved 50% fee reduction. Again, the need to record both the full fee and discount applied as two separate entries in the Scribe "Receipts cashbook" detail appears to be unnecessary as the Scribe allotments software affords detail of the discounted fees due for each plot at the two sites and the discount applied.

Conclusions and recommendations

As indicated above, we consider that a more simplified approach should be applied to the analysis and recording of detail in the Scribe accounts "cashbooks" with, for suppliers whose invoices include several separate charges each month, but relating to the same cost centre, the costs allocated to the same cost centres totalled and entered as a single line for each such cost centre. Similarly, the coding of the various elements of staff costs and seniors' allotment income should be simplified.

- R1. Wherever possible for individual purchase invoices including several separately analysed lines of fees, where such fees are to be allocated to the same cost centre in Scribe, the total for each such cost centre should be calculated and entered as a single line in the Scribe "payments cashbook". An appropriate reduction has been made to the number of codes in use in 2025-26 with a similar reduction in the number of entry lines in Scribe.*
- R2. The analysis of costs associated with staff pay should similarly be rationalised as indicated in the body of the report. As with R1 above, the number of codes has been rationalised in 2025-26 following employment of a payroll bureau to prepare the monthly payroll.*
- R3. The value of the discounted allotment rents received from senior citizens receiving should also be entered as a single (50% by value) entry, rather than the full rent due and a separate line listing the discount applied. This will be actioned accordingly for 2025-26.*

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust series of corporate governance documentation and procedures in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we may reasonably be expected to ascertain as we do not attend meetings, no actions of a potentially unlawful nature have been or are being considered for implementation.

We have reviewed the Council and standing Committee meetings' minutes for the year by reference to the website with no significant issues or concerns identified.

We note that the Council has re-adopted its Standing Orders (SOs) and Financial Regulations (FRs) at the Council meeting in July 2024, also noting the further adoption of the 2024 revised NALC model FRs at the Council meeting in February 2025. We have reviewed this latest adopted version noting that the financial value for formal tender action is recorded at para 5.6 as £60,000 as set out in the NALC model. However, the Council's extant SOs record a value of £30,000 at para 19.a.v. We urge that the Council ensures that a consistent value for tender action is recorded in both the SOs and FRs. We have drawn this to the Clerk's attention: she has agreed to take a further revised document to a future Council meeting, also taking account of the very recently issued further revised model SOs and FRs.

Finally in this area, we note that the external auditors have signed off the 2023-24 AGAR with no issues raised: we have also ensured compliance with the requirements of the Accounts and Audit Regulations 2015 with the 2023-24 Notice of Public Rights duly posted on the Council's website advertising availability of the records for the requisite 30 working days.

Conclusions and recommendation

We are pleased to record that no significant issues or concerns have been identified in this review area this year, although we urge that the intended review and update of the FRs be undertaken as soon as practicable with detail brought into line with the latest NALC model document. We shall continue to review the Council's approach to governance issues, also reviewing minutes covering the remainder of the financial year, at our final review.

R4. The Council's Financial Regulations (FRs) should be reviewed and brought into line with the recently promulgated revised NALC model document duly adapted to reflect local circumstances where applicable. The latest NALC model FRs have been adopted as recommended. The Clerk will also ensure that the latest NALC updated Standing Orders and is presented to the Council for review and formal adoption.

Review of Expenditure

Our aim here is to ensure that:

- Council resources are released in accordance with the Council's approved procedures and approved budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- That members are provided with and approve schedules of payments made;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and
- VAT is identified for inclusion in the reclaims submitted to HMRC for recovery at quarterly intervals.

We have discussed with the Clerk the arrangements for processing payments confirming that invoices are subject to member review and online release with the Clerk setting them up online. We are pleased to note that all invoices are stamped with a suitably designed certification stamp signed by the Clerk and one or two councillors.

To gain assurance in this area we have examined a sample of payments throughout the year to supporting documentation. Our test sample includes all payments in excess of £1,500, together

with every 30th payment as recorded in the Scribe payment listing and includes 49 individual payments totalling £175,270 equating to 76% by value of all non-salary payments in the year.

We also note that VAT Returns continue to be compiled and submitted to for repayment quarterly through the Scribe software and have ensured the appropriate preparation, submission to HMRC and recovery of the final 2023-24 quarter reclaim and the first three reclaims for 2024-25.

Conclusions

No matters arise in this area currently other than the issues referred to in the first section of this report.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

We understand that, largely due to the Clerk's sickness absence for part of the year and staff changes, the Council has not reviewed and re-adopted its Risk Assessments during the course of the financial year contrary to the requirements of The Practitioner's Guide. Consequently, we have to give a negative response to Box 3 of the year's AGAR IA Certificate and the Council will also need to give a negative response at Box 5 of the Governance Statement.

We have examined the Council's 2024-25 Zurich insurance policy, noting that Employer's & Public Liability cover stand at £10 million and £12 million respectively, together with Fidelity Guarantee cover at £500,000 and a raft of insured assets and consider that appropriate cover remains in place.

We also note that an external contractor conducts monthly inspections of the Council's play areas.

Conclusions and recommendation

We are pleased to record that, other than the non-review and adoption of the Council's Risk Register during the financial year, no other issues arise in this area: we shall continue to monitor the Council's approach to risk management at future visits ensuring appropriate action is taken to comply with The Practitioner's Guide.

R5. The Council must ensure compliance with the requirements of The Practitioner's Guide reviewing and formerly re-adopting its Risk Registers at least once annually.

Budgetary Control & Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from the Borough Council: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure.

We note that the 2025-26 budget and precept were formally discussed and agreed at the January 2025 full Council meeting with the latter set at £255,806.

We are pleased to note that members continue to be provided with detailed financial information regularly during the year to facilitate budget monitoring. We have examined the final year-end budget outturn noting that income equates to 115% of the approved annual budget, whilst expenditure equates to 112% of the agreed budget. We have examined the few areas where overspends have occurred examining the relevant Scribe detailed transaction reports obtaining appropriate explanations for their existence with no residual issues requiring further enquiry.

We have considered the Council's level of balances and reserves held at 31st March 2025 noting that a raft of earmarked reserves (EMRs) is in place totalling £236,742 with the General Fund balance at 31st March 2025 standing at £102,424, the latter equating to approximately 4 months' revenue spending at the 2024-25 level, which is in line with the generally recognised holding of between three and twelve months revenue spending.

Conclusions

We are pleased to record that no issues or concerns arise in this area warranting formal comment or recommendation.

Review of Income

The Council's principal sources of income, other than the Precept, arise from cemetery activity, allotment rents and tennis court hire fees, bank interest and occasional car parking and open space hire fees, together with quarterly VAT recoveries. Our objective is to ensure that robust procedures are in place to ensure that all income due to the Council is identified and invoiced (where applicable) appropriately with recovery effected within a reasonable time span. Consequently, we have this year: -

- Agreed the precept received into the Council's bank account to the amount set and approved per the Council's minutes;
- Examined documentation at our interim visit relating to the five burials occurring between 1st April and 31st December 2024 ensuring that the appropriate cremation or burial certificates are held and agreeing the fees charged to the approved schedule of fees and charges with no issues arising; and
- Noted that allotment rent income has, as last year, been invoiced using the Scribe specialist software: we have checked detail of rents recorded as received in the year's Scribe "Receipts cashbook" agreeing detail to the Scribe allotment register with no issues arising.

We have also examined the Scribe detailed income transaction report ensuring that, as far as we are reasonably able, all income due to the Council has been received and accounted for appropriately. We have, however, noted that income has also been received by way of refundable allotment deposits. At the time of this final review, these were purely recorded in the Scribe accounts as income: as the deposits are refundable, they should be treated as a liability / creditor in the year-end Accounts. We have discussed this with the Clerk who has agreed to ensure that the appropriate amendments are made in the Scribe accounts prior to completing and the Council adopting the year's AGAR Section 2.

Conclusions and recommendation

We are pleased to record that, apart from the need to treat the allotment deposits received as a liability in the annual accounts, there are no other issues of concern arising in this area.

- R6. *As the allotment deposits are refundable, the year-end Scribe generated accounts and AGAR financial detail, should be amended to record the income received in this respect as a liability at the year-end. We also suggest that a separate spreadsheet record be maintained recording the name of the depositor, amount and date of receipt, also with provision for recording the date the deposits are refunded: the annual year-end balance in Scribe should be checked and agreed to that control record.*

Petty Cash Account

The Council does not operate a petty cash account: any “out-of-pocket” expenses incurred by officers or members are reimbursed through the normal suppliers’ payments procedures.

Review of Staff Salaries

In examining the Council’s payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the requirements of HMRC legislation and payment over of income tax and NI contributions, together with LGPS deductions and contributions payable to the respective agencies. To meet that objective, we have examined a sample of payslips during the year for each employee noting payment of the national pay award arrears with the October 2024 payroll run. Specifically, we have: -

- Checked that staff are being paid at the approved hourly pay rate, noting that all are not being paid on an exact nationally agreed NJC spinal column point;
- Noted that all staff receive the “Outer London Fringe Allowance” (OLFA) paid pro rata for their contracted weekly hours: in this respect, we note that this allowance has not been uplifted to the value applicable from 1st April 2024 (we understand that the Clerk had not received any formal notification of the increased allowance value);
- Checked the calculation of tax and national insurance deductions to the relevant and applicable HMRC tables; and
- Ensured that pension contributions are being deducted at the appropriate percentage rate in accordance with the revised contribution bandings applicable from 1st April 2024.

In checking the detail on various payslips during the year at our interim review we noted that for the Interim Deputy Clerk employed from May 2024, the month’s hours actually paid were significantly below those recorded on his time sheet for that month. Conversely, we have noted that the pay adjustment made with his October 2024 salary had been overcalculated resulting in an overpayment for that month. We have discussed the position with the Clerk who agreed to recalculate his salary payable for each month of the year to that date making the necessary adjustment in the January 2025 payroll run – this has been actioned appropriately.

We have also discussed the value of OLFA to be applied for 2024-25 with the clerk who has agreed to recalculate the amounts payable to each employee for the year to date and make appropriate amendments: we are now advised that detail of these will be taken to the Next Staffing Committee meeting for approval and implementation.

To simplify the calculation of staff basic salaries payable in future, we suggest that the Council reverts back to paying each staff member in accordance with the national salary scales rather than paying them on an ad hoc calculated rate of pay: to achieve that, staff should be assimilated to the nearest spinal point on the national salary scales. Where staff are working full time, calculation of the monthly gross salary payable would then be calculated based on the annual salary, plus the OLFA divided by 12 (months). Where staff are working part time, their monthly basic gross salary, including OLFA, should then simply be calculated by dividing their contracted weekly hours (e.g. Bray PC: 2024-25 (Final update) 8th May 2025 Auditing Solutions Ltd

25) by 37 (the basic standard contracted weekly full time hours), multiplying by the NJC agreed annual salary and then divided by 12 (months): any overtime hours payable should then be multiplied the NJC advised hourly rate, which has been calculated, as advised by NALC, as the gross annual salary divided by 37 and then 52.143 (weeks in the year: i.e. 365/37).

Conclusions and recommendation

As indicated above, calculation of the interim Deputy Clerk's salary for the year to date requires recalculation and adjustment in the salary payable to him for January 2025. Similarly, the amount of OLFA payable to all staff for the year to date requires appropriate recalculation. Please also note that the OLFA is a fixed annual sum and is only payable on employees' contracted hours, excluding any overtime worked.

Whilst we have not identified any other errors in the calculations applied to other staff pay for the year, we suggested that the Clerk should review the detail of all staff monthly pay for the year to the date of our interim review applying the above simplified method of calculating each part time employee's monthly salary for the year to date and are pleased to note that appropriate action has been taken.

- R7. *The Council should consider assimilating all staff onto an appropriate point on the nationally agreed NJC spinal column. **This will be actioned for 2025-26.***
- R8. *The increased Outer London Fringe Allowance payable from 1st April 2024 should be applied to all staff salaries with adjustment for the underpaid amounts in the year-to-date and be paid in their next monthly salary payment. **Noted and will also be implemented, together with arrears for 2024-25 early in 2025-26.***
- R9. *The interim Deputy Clerk's salary payable from the date of his appointment should be recalculated using the formula set out in the body of the report with any necessary adjustment made with the next monthly pay run. **This has been actioned accordingly. This has been actioned accordingly.***
- R10. *The Clerk should ideally also check all staff pay for the year to date applying the formula as set out in the body of the report and, should any calculation errors be identified, apply an appropriate adjustment to the next month's salary payable. **As with R9 above.***

Fixed Asset Register

The Practitioner's Guide requires all councils to develop and maintain an appropriate register of the Council's land, property and equipment in a formal register, with the cost of assets duly recorded, the total value of which should be recorded in the AGAR at Section 2, Box 9. These values should not be subject to changes year-on-year other than to reflect the cost of any new acquisitions (net of VAT) and any disposals / deletions.

The Council uses the Scribe asset register to record detail of individual assets including both the purchase and insured cost the former being disclosed in the AGAR. We have examined the content of the register ensuring its accuracy as far as we are reasonably able. We have also discussed and agreed with the Clerk that the asset register entry in respect of a Speed Indicator Device identified as location "Unknown" may be removed from the register if it is no longer in service.

We recorded in last year's report the fact that several of our clients have also developed photographic records of assets such as street furniture, etc., which they have found to be of assistance in progressing insurance claims in the event of any accidental or malicious damage

occurring. We are pleased to note that positive action has been taken to develop an appropriate record of photographed assets.

Conclusions

No issues have been identified in this area warranting formal comment or recommendation this year.

Investments and Loans

Our objectives here are to ensure that the Council is investing “surplus funds”, be they held temporarily or on a longer term basis, in appropriate banking and investment institutions, that an appropriate investment policy is in place, that the Council is obtaining the best rate of return on any such investments made, that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

As noted earlier in this report, we have checked and agreed the year end balances on the Council’s investment accounts, (CCLA, Nationwide and Unity) and tested the appropriate receipt and recording of interest received during the year.

We are pleased to also note that the Council has an approved investment policy in place.

The Council has no loans repayable either by or to it at present.

Conclusions

We are pleased to record that no issues arise in this area warranting formal comment or recommendation.

Statement of Accounts / AGAR

The AGAR now forms the statutory accounts of the Council in accordance with the Accounts and Audit Regulations 2015. The Accounts and financial detail at Section 2 of the year’s AGAR are generated automatically by the Scribe accounts and we have consequently agreed that detail to the underlying Scribe records.

Conclusions

We have duly signed off the IA Certificate in the year’s AGAR assigning positive assurances in each relevant area excepting that relating to the review and adoption of the Risk Register during the year.

| Rec. No. | Recommendation | Response |
|---|--|--|
| Review of Accounting Arrangements and Bank Reconciliations | | |
| R1 | Wherever possible for individual purchase invoices including several separately analysed lines of fees, where such fees are to be allocated to the same cost centre in Scribe, the total for each such cost centre should be calculated and entered as a single line in the Scribe "payments cashbook". | <i>An appropriate reduction has been made to the number of codes in use in 2025-26 with a similar reduction in the number of entry lines in Scribe.</i> |
| R2 | The analysis of costs associated with staff pay should similarly be rationalised as indicated in the body of the report. | <i>As with R1 above, the number of codes has been rationalised in 2025-26 following employment of a payroll bureau to prepare the monthly payroll.</i> |
| R3 | The value of the discounted allotment rents received from senior citizens receiving should also be entered as a single (50% by value) entry, rather than the full rent due and a separate line listing the discount applied. | <i>This will be actioned accordingly and resolved in 2025-26.</i> |
| Review of Corporate Governance | | |
| R4 | The Council's Financial Regulations should be reviewed and brought into line with the recently promulgated revised NALC model document duly adapted to reflect local circumstances where applicable. | <i>The latest NALC model FRs have been adopted as recommended. The Clerk will also ensure that the latest NALC updated Standing Orders and is presented to the Council for review and formal adoption.</i> |
| Assessment and Management of Risk | | |
| R5 | The Council must ensure compliance with the requirements of The Practitioner's Guide reviewing and formerly re-adopting its Risk Registers at least once annually. | |
| Review of Income | | |
| R6 | As the allotment deposits are refundable, the year-end Scribe generated accounts and AGAR financial detail, should be amended to record the income received in this respect as a liability at the year-end. We also suggest that a separate spreadsheet record be maintained recording the name of the depositor, amount and date of receipt, also with provision for recording the date the deposits are refunded; the annual year-end balance in Scribe should be checked and agreed to that control record. | |
| Review of Staff Salaries | | |
| R7 | The Council should consider assimilating all staff onto an appropriate point on the nationally agreed NJC spinal column. | <i>This will be actioned for 2025-26.</i> |
| R8 | The increased Outer London Fringe Allowance payable from 1 st April 2024 should be applied to all staff salaries with adjustment for the underpaid amounts in the year-to-date and be paid in their next monthly salary payment. | <i>Noted and will also be implemented, together with arrears for 2024-25 early in 2025-26.</i> |

| Rec. No. | Recommendation | Response |
|--|--|--|
| Review of Staff Salaries (Cont'd) | | |
| R9 | The interim Deputy Clerk's salary payable from the date of his appointment should be recalculated using the formula set out in the body of the report with any necessary adjustment made with the next monthly pay run. | <i>This has been actioned accordingly.</i> |
| R10 | The Clerk should ideally also check all staff pay for the year to date applying the formula as set out in the body of the report and, should any calculation errors be identified, apply an appropriate adjustment to the next month's salary payable. | <i>As with R9 above.</i> |

014.003 Actions

*R1. Wherever possible for individual purchase invoices including several separately analysed lines of fees, where such fees are to be allocated to the same cost centre in Scribe, the total for each such cost centre should be calculated and entered as a single line in the Scribe "payments cashbook". **An appropriate reduction has been made to the number of codes in use in 2025-26 with a similar reduction in the number of entry lines in Scribe.***

Clerk has resolved the issue and entry lines are significantly reduced for 2025-26 entries.

*R2. The analysis of costs associated with staff pay should similarly be rationalised as indicated in the body of the report. **As with R1 above, the number of codes has been rationalised in 2025-26 following employment of a payroll bureau to prepare the monthly payroll.***

Resolved.

*R3. The value of the discounted allotment rents received from senior citizens receiving should also be entered as a single (50% by value) entry, rather than the full rent due and a separate line listing the discount applied. **This will be actioned accordingly for 2025-26.***

Issues with entering allotment discounts have been resolved by the Clerk and Scribe Accounting.

*R4. The Council's Financial Regulations (FRs) should be reviewed and brought into line with the recently promulgated revised NALC model document duly adapted to reflect local circumstances where applicable. **The latest NALC model FRs have been adopted as recommended. The Clerk will also ensure that the latest NALC updated Standing Orders and is presented to the Council for review and formal adoption.***

The Clerk has scheduled for the Standing Orders to be presented to council at the June meeting.

R5. The Council must ensure compliance with the requirements of The Practitioner's Guide reviewing and formerly re-adopting its Risk Registers at least once annually.

Due to the long period of sick leave the Clerk was unable to complete a full review of all policies during 2024/25. This is scheduled for completion during June, to be reported to council at the June meeting.

R6. As the allotment deposits are refundable, the year-end Scribe generated accounts and AGAR financial detail, should be amended to record the income received in this respect as a liability at the year-end. We also suggest that a separate spreadsheet record be maintained recording the name of the depositor, amount and date of receipt, also with provision for recording the date the deposits are refunded: the annual year-end balance in Scribe should be checked and agreed to that control record.

The Clerk is working with Scribe Accounting to resolve this minor issue.

R7. The Council should consider assimilating all staff onto an appropriate point on the nationally agreed NJC spinal column. This will be actioned for 2025-26.

The Clerk is working with the HR Committee and LGRC to resolve this issue.

R8. The increased Outer London Fringe Allowance payable from 1st April 2024 should be applied to all staff salaries with adjustment for the underpaid amounts in the year-to-date and be paid in their next monthly salary payment. Noted and will also be implemented, together with arrears for 2024-25 early in 2025-26.

The Clerk has calculated the amount due, payment with May-25 salaries.

R9. The interim Deputy Clerk's salary payable from the date of his appointment should be recalculated using the formula set out in the body of the report with any necessary adjustment made with the next monthly pay run. This has been actioned accordingly. This has been actioned accordingly.

No action required.

R10. The Clerk should ideally also check all staff pay for the year to date applying the formula as set out in the body of the report and, should any calculation errors be identified, apply an appropriate adjustment to the next month's salary payable. As with R9 above.

Clerk working with the HR Committee and LGRC to make any required adjustments.