

AUDIT, RISK AND GDPR COMMITTEE

INTERNAL AUDIT REPORT

19 FEBRUARY 2025

ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN 2024/25

1.0 Purpose of the Report

1.1 The purpose of this report is to update council members on the 2024/25 Annual Governance and Accountability Return (AGAR) work completed to date by the Internal Auditor.

2.0 Background to the report

2.1 The Internal Auditor provides an independent appraisal function which all Smaller Authorities (which covers parish and town councils) must provide to meet the requirements of The Accounts and Audit Regulations 2015.

2.2 An authority is a “Smaller Authority” if the higher of the authorities gross income for the year and its gross expenditure for the year does not exceed £6.5m. The Accounts and Audit Regulations 2015 also refers to these authorities as a Category 2 authority. Great Aycliffe Town Council falls into this category.

2.3 The 2015 regulations quoted above require councils to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.

2.4 The Public Sector internal audit standards have not been applied to “smaller authorities”

2.5 Notwithstanding the above information the council’s Internal Auditor will work in accordance with the council’s approved Internal Audit Code of Practice. This sets out the purposes, powers and objectives of the Council’s Internal Audit Service, as well as specifying the standards, procedures to be followed and the documentation to be used by the Internal Auditor.

2.6 The council’s guidance on internal audit is contained in the Joint Panel on Accountability and Governance (JPAG) Practitioners Guide 2024. Section 4 of this guide covers the Best Practice Guidance for Internal Audit.

2.7 The above guidance is applicable for financial years commencing on or after 1 April 2024.

3 The Annual Governance and Accountability Return (AGAR)

3.1 An important element of the Internal Audit is the completion of page 3 of the councils AGAR. This document must be completed by an internal auditor appointed by the council.

3.2 All Smaller Authorities must provide an internal auditors report by 30 June of each financial year and this (page 3) must be advertised on a freely available public facing website.

The AGAR return also requires the completion of three other sections

- Section 1 - The Annual Governance Statement which covers nine assertions made by the council. This section must be agreed by full council and minuted accordingly. This must be signed by the Chair and Clerk.
- Section 2 - The Accounting Statement which provides details of a comparison of two years income and expenditure, cash reserves and balances and asset values. This must be signed by the council's Responsible Finance Officer before being presented to the council. This section must be agreed by full council (not a council committee) and minuted accordingly. Once approved by council the chair can countersign the statement.
- Section 3 is signed and provided by the External Auditor on completion of their audit. This must be done by 30 September each year. This will be signed by the council's external auditors (Mazars)

3.3 As mentioned above the Internal Auditor must certify whether the council has met the key indicators shown on page 3 of the AGAR. This report gives the councils appointed internal auditor the opportunity to comment and advise the council on the whether:

A Appropriate accounting records have been kept properly throughout the financial year.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- Ensure the correct roll forward of the prior year cashbook balances to the new financial year.

Checks made of the accounts reveal that the correct cash book balance has been rolled forward from one year to the next. The cash book balance at 31 March 2024 was £151,494.19. This was reflected as the opening balance on 1 April 2024.

- Check a sample of financial transactions in cash book's to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained

Appropriate testing has been carried out on both income and expenditure transactions for July 2024 and November 2024. Appropriate accounting records have been maintained throughout the year.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

B This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version.

Very little capital expenditure has been incurred to January 2025 with only four projects being undertaken in excess of £5,000 which would require the provision of written quotations, tenders or Contract Finder entries.

- The driving range drainage project costing £18,939.20 was completed by Stewart Ground Improvements with some other related work carried out by the council's works department staff.

It would appear that an exemption certificate may have been required for this project as only one quote was reported to the Policy and Resources Committee on 6 March 2024. The exemption appears to have not been applied for for this project. It is recommended that Financial Regulations are followed for all projects.

- Firework purchases costing £9,300

An exemption certificate was completed for this order to ensure the continuity of obtaining the fireworks from a trusted supplier who has been used for years.

- The installation of play area surfaces in two of the council's play areas costing in the region of £33,000. As this scheme was to cost between £5,501 and £54,999, in order to comply with Financial Regulations, four competitive written quotes were requested. However only two companies provided a response. These details were reported to the Policy and Resources Committee for approval on 22 January 2025.

The approach taken for the above scheme does comply with the councils

Standing Orders and Financial Regulations.

- West Park Bridge repairs totalling £14,158 (2 payments of £7,079) was paid in September. It was reported to the Recreation Committee on 4 September 2024 and approved by the Policy and Resources Committee on 27 September 2024.

It would appear that only one quotation was reported to Committee(s) and that to concur with Financial Regulations either three quotes were required or an exemption certificate requested for this purchase.

- Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents)

Updated Financial Regulations and Standing Orders for Contracts and Procurement were submitted to and the proposed changes agreed by Full Council members at their meeting on the 24 April 2024. This was agreed prior to their formal adoption at the Annual Meeting of the Council on 15 May 2024.

The following information is found in both the councils Standing Orders and Financial Regulations.

- *No written quotations required for any purchases up to and including £5,500*
- *Three competitive written quotations for purchases between £5,501 and £54,999*
- *Between £55,000 and up to and including the GPA thresholds £214,904 for goods and services and £5,372,609 (inclusive of VAT) the procurement opportunity must be registered on the Government's Contract Finder Service website in accordance with the requirements of the Public Contracts Regulations 2015 unless a Standing Order exemption has been approved by full council. (Standing Order 11 refers)*
- *Over the EU thresholds of £214,904 for goods and services and £5,372,609 (inclusive of VAT) for works the GPA Procedure is mandatory and at least three tenders must be sought. (Standing Order 12 refers)*

There are certain exemptions to the above requirements and these are reflected in the councils Standing Orders.

The council is required to post contract award notices on the Contract Finder for all contract awards above the value of £25,000 (excluding VAT).

Both the Financial Regulations and Standing Orders for Contracts and Procurement documents form part of the council's overall Constitution.

- Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a

suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation.

Where Purchase Orders are produced (they are not required for regular payments such as machine rentals, service agreements etc) they are created by officers who are responsible for the entry of items to be purchased and the coding of the items to the appropriate financial codes.

A sample of varying invoices have been tested for the period April to December 2024. Purchase orders were placed and, where appropriate, if goods received/delivery notes are provided, they are matched to the order and invoices for validity leading ultimately to approval for payment through the nominal ledger.

Coding slips attached to invoice payments identify the independent officers involved in the above processes. This helps to identify the segregation of duties of officers and assists with the adherence to the Councils Financial Regulations which, at Regulation 13.34 state, 'In no circumstances should the same officer raise a purchase order, receive the goods and services, certify the order, and authorise the invoice for payment'

Of the invoices audited all of them complied with the above directive. A number of invoices had the same signatory from placing the purchase order to prices checked. However there was segregation of duties as an independent signature approved the final payment. This is probably due for example there only being one officer available to sign the coding grid, for example in the Golf Complex or in the Council Offices.

- Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.

The above sample check revealed that all invoices were approved for payment and that segregation of duties exists during the ordering/invoice payment process. The coding slips mentioned above provide this evidence.

A further evidential check of invoices is undertaken by independent finance staff who check the expenditure for the correct account and cost centre, input the net costs, VAT etc into the Opera financial system and then input the invoices for payment and release council monies at payment stage.

Occasionally there are some coding entries which are in need of correction but this is done by Finance staff in discussion with officers who raised the initial purchase order or completed the coding grid attached to the invoices.

Invoices are batched and paid on a two weekly cycle. A suggested payment list is compiled in the finance section which is forwarded to the Finance Manager with the invoices. The Finance Manager certifies the list for payment and that sufficient funds exist for the payment to be made. The list can be split between direct debits and BACS payments and is returned to the finance section.

Finance section then compiles the BACS payment list for the invoices to be paid by this method. This is subsequently forwarded to the Finance Manager who again certifies the payments to be made.

No BACS payments can be made until the Finance Manager is happy with and has approved the BACS payment list. Once approved the BACS payments are released to creditors.

- Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements

Quarterly VAT recoveries are made from HMRC. Information is electronically produced from the OPERA Financial Management System. Claims are submitted in accordance with HMRC requirements.

VAT input and output Information is provided from the Sales and Purchase ledgers and reconciled on a monthly basis by the Finance Manager. Full VAT returns are completed and submitted on a quarterly basis.

The quarterly VAT return to 31 December 2024 was examined for evidence of the reclaimed VAT being accurately reflected in the council's ledgers and the corresponding electronic return submitted to HMRC for reimbursement.

Gaming tax returns for two gaming machines in the sports complex are provided on a similar basis. VAT is also paid over from income derived from customers using the pool table in the sports complex.

- Where debit/credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place.

A credit card is in use in the council offices with a limit of £7,000 and a debit card in the sports complex with a limit of £200.

The council's office credit card is used primarily to purchase items from the internet or if purchase orders etc cannot be issued. Ordering is controlled via one officer who will place orders at the request of other officers - for example the Sports Complex Manager. Coding details for the expenditure are provided by the relevant manager. Once a credit card payment request is made finance staff deal with the necessary bank transfer information etc.

The sports complex card is linked to a Tesco account and is only used for these purchases. An online order is submitted which is directly linked to the debit card and a separate bank account. The limit for individual purchases is £200 and overall limit is £200.

When an order is received the "paid" invoice is forwarded to the Finance section with a Petty Cash reimbursement request. Finance section will replenish the card as soon as possible back up to its £200 limit. The

reimbursement of funds back to the account is approved by the Finance Manager.

Cards are retained safely and securely in the council offices and in the sports complex.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.

The council has an appropriate risk register in place to identify and assess the adequacy of its risk related activities. This is considered on a quarterly basis for high risks, half yearly for medium risks and on an annual basis for low risk items. Full council gets to consider and approve the Risk Register on an annual basis. This will be in March 2025.

Any ad hoc risks identified in the quarterly meetings mentioned above are added to the register as they arise. Council is notified of any additions to the risk register.

To avoid the risk of Fraud and Corruption the council has also introduced an Anti Fraud and Corruption Policy. This was last updated in 2020 so could perhaps need a review.

- Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity/employees (including councillors) liability, business interruption and cyber security cover.

Council insurance arrangements were considered in a report submitted to the Annual Meeting of the Council held on 15 May 2024. The council was in a three year rate stability agreement which ran until June 2025. A report was taken to council on 12 June 2024 extending this stability agreement to June 2027.

The main tender insurance was won by Aviva via James Hallam (broker) and provides cover for land, buildings, employers and hirers liability, fidelity/employees (including councillors) liability and business interruption.

In addition to the main Aviva contract the council has separate policies for

- Vehicle insurance - Equity Red Star

- *Green fee payers on the golf course through Golf Guard*
- *Play equipment inspection through The PlayGround Company*
- *Events insurance is provided through Watford Insurance Company Europe Limited*

Separate cyber security measures are being considered by the council.

- Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation.

Annual Independent play area inspections are carried out by The Play Inspection Company, Weekly inspections carried out by RPII qualified council staff. Bi weekly visual inspections are carried out by park patrol maintenance staff. All reports are recorded and stored in the works depot.

As mentioned above the council has a playground inspection Contract (separate policy) as part of its insurance arrangements. This costs £1,250 per annum.

Sports pitches and their goal posts have an in depth check on a monthly basis and a more informal check is done weekly as part of the weekly play area checks. Visual maintenance inspections are carried out by maintenance staff during pitch marking and cutting of grass. Records are kept in the works depot. A sample of records was sighted during the course of the audit.

Trees on open space land are inspected independently by a qualified Arboriculturalist on a three year basis. However, because of ash dieback the works manager carries out 6 monthly checks on really susceptible trees. The council has also adopted a Tree Management Policy.

- Review the effectiveness of internal control carried out by the authority.

Regulation 3 of the Accounts and Audit Regulations 2015 requires the council to have in place “a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.

In addition Regulation 6 requires the Council “to conduct an annual review of the effectiveness of its system of internal control”

Section 1 Annual Governance Statement (subsection 5) of the Annual Governance and Accountability Return states that-

“We (meaning the council) carried out an assessment of the risks facing this authority and took appropriate steps to manage these risks including the introduction of internal controls and or external insurance cover where

required.”

An Annual Review of the Effectiveness of the Council’s system of Internal Control will be reported to Council on 12 March 2025.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable.

The setting of the Budget was determined by a Budget Setting Framework Timetable issued by the Finance Manager. This was reported to the Policy and Resources Committee on 11 September 2024.

Following an extensive officer (service manager and finance manager) lead budget determination process a draft budget was produced. This was forwarded to the Performance Management Group and the Chairmen and Vice Chairmen group to review the proposals.

Thereafter the Environment and Recreation Committee and Policy and Resources Committees considered their individual draft budget proposals separately, Draft Capital Programme Budgets were reported to the Asset Management Sub Committee and overall Draft Policy and Resources Budgets were reported to the Policy and Resources Committee.

In November, a Special Policy and Resources Committee also separately considered proposed fees and charges increases for 2025/26.

Consideration of feedback from the October committee meetings, the budget consultation and development of the final budget proposals took place following the final notification of the Council Tax Support Grant and Council Tax Base figures.

Members of the Policy and Resources Committee considered the overall draft 2025/26 Revenue and Capital Budgets on 23 October 2024. The outcome of this was a recommendation to

- Agree the draft budget and resulting precept request of £2,050,300
- Agree a proposed increase of 3.75% in the Town Council Tax
- Agree a draft Capital Programme Budget of £666,600
- Note a possible fall in council balances and reserves to as low as

£0.983m by the end of 2025/26.

- For the Chairman or Vice Chairman and officers to receive any comments or feedback as soon as possible.

In addition to the above an online community consultation exercise was held to encourage residents to feedback their opinions on the proposed 2025/26 revenue and capital budgets. Full details of the draft revenue and capital budgets were made available to residents who were asked to provide responses by 31 December 2024.

Following the approval of the draft budget, central government released details of an increase in the employers national insurance contributions as part of its national budget proposals. It was reported that this would have an impact on the council's budget and may possibly require adjustments to the recommendations shown above, particularly in relation to the Precept requirement.

In light of the above, a briefing note was prepared and submitted to the Special Policy and Resources Committee held in November 2024. Members agreed that the increased employers national insurance contributions should be added to the budget with the proviso that the overall 2024/25 budget increase should not exceed 5%.

The increase in employers national insurance was calculated and the resulting revenue budget/precept request was considered and approved at the Policy and Resources Committee meeting held on the 22 January 2025.

To comply with legislation these approvals have to be approved by the Full Council. Details of the 2025/26 budget requirement and resulting precept request were subsequently reported to the Full Council and approved by members at the meeting held on 29 January 2025.

- Ensure that current year budget reports are prepared and submitted to Authority/Committees periodically during the year with appropriate commentary on any significant variances.

Individual Service Budgetary Control documents continue to be prepared monthly which are investigated by both the Finance Manager and Service Managers. Additionally, quarterly Budgetary Control documents are reported to the councils Policy and Resources Committee. These reports provide explanations of budget variances for member's to consider and comment on.

By way of example, the Policy and Resources Committee members for the 23 October 2024 meeting were provided with a 2024/25 Revenue and Capital budget position to 30 September 2024 (six monthly review) and a projection of expected outturn at 31 March 2025.

At the October meeting a further similar report was requested by Policy and Resources Committee members showing the budget positions at 31 December 2024 and projected outturn at 31 March 2025. This was to be

presented to the meeting being held on 22 January 2025.

The above procedures meet with the Financial Regulations agreed by council.

- Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances.

See comments made above regarding in year budget performance. At the end of year an outturn report is produced for officers to examine and confirm detail of any variances. An outturn report is also reported to the council's Policy and Resources Committee providing comprehensive details of the end of your outturn along with reasons for any significant or unanticipated variations.

Reasons for variations on the AGAR figures are also provided for External Audit.

- Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process.

As reported to the P&R Committee on 5 June 2024 the council held the following reserves. The balances held at the end of the year have been set aside in a number of balances and reserves which are held for various purposes as detailed below:-

- *General Fund Balance which represents the funds available to meet any significant unforeseen costs or shortfalls in income on the Council Revenue Budget. A total of £199,352 has been set aside in this fund.*
- *Revenue Budget Support Reserve which provides for the carry forward of unspent Revenue Budget resources from one year to the next to fund ongoing revenue spending commitments. As highlighted earlier, a balance of £34,331 has been carried forward to 2024/25.*
- *Community Benefit Fund which holds community benefit monies generated from the solar farm at School Aycliffe totalling £8,156;*
- *The Allotments Bonds Account which holds the bonds from tenants with pigeon lofts and poultry sites, totalling £500.*
- *Earmarked Revenue Reserves which are set aside to meet specific Revenue Budget requirements as follows:-*
 - *VAT Windfall Reserve which contains the remaining balance of £19,500 carried forward from the 2023/24.*
 - *Elections Reserve which is set aside to meet the costs of the future elections and by elections. A total of £50,000 is currently set aside in this reserve.*

▪ *Earmarked Capital Reserves which are set aside to meet specific future capital investment requirements as set out in the Council's Asset Management Plan as follows:-*

- Building Works Reserve which is set aside to meet the cost of planned future works to the Council's buildings. A total of £250,000 is currently set aside in this reserve.

- Vehicle and Machinery Reserve which is set aside to meet the costs of future replacements of Council vehicles and machinery. A total of £300,000 is currently set aside in this reserve.

- Parks and Play Equipment Reserve which is set aside to fund future parks related capital investment and the cost of replacing and upgrading play equipment. A total of £500,000 is currently set aside in this reserve;

- Street Equipment Reserve which is set aside to meet the cost of replacing street equipment such as bus shelters, street lighting, seating, and bins. A total of £100,000 is currently set aside in this reserve.

- Sports and Golf Complex Reserves which are held to fund future non-building related capital investment specific to the sports and golf complex including replacement of machinery and equipment relating to these facilities. A total of £200,000 is currently set aside in these reserves.

- ICT and Office Equipment Reserve which is set aside to meet the costs of any major computer related investment in the future such as replacement servers and computers and office equipment such as telephone systems and photocopiers. A total of £100,000 is currently set aside in this reserve.

- Climate Change Reserve which is set aside to meet the costs of carbon reduction related investment in the future such as solar panels or heat pump systems. A total of £200,000 is currently set aside in this reserve.

- Unapplied Capital Contributions which were previously received to be used against future Capital spend. A total of £31,292 is set aside in this account.

As reported to the 5 June 2024 P&R Committee, the council's short term investments at 31st March 2024, were £201,957 invested in a Deposit Account with the Council's bank, and a further £1,650,000 is invested with the Public Sector Deposit Fund operated by the CCLA.

The council's policy is to try and maintain a prudent level of reserves so the current level of reserves is considered to be appropriate.

It has been reported that the level of reserves has recently been on a downward trend and efforts are being made to ensure the council's policy decision is adhered to.

The Level of council reserves was reviewed as part of the precept report to full council on 29 January 2025 where it was noted that there may be a possible fall in general reserves to as low as £0.983m by the end of 2025/26.

- Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts.

The 2024/25 precept request agreed by council on 31 January 2024 was £1,974,773. Minute number 121 of this meeting confirms the council's approval of the precept request. The same precept figure is reflected in the Durham County Council Precept Setting report dated 28 February 2024. This represents an increase of 4.38% compared to the previous year.

Payment of this amount is made in two instalments. The first instalment £1,073,475 was received on 4 April 2024 (Precept of £987,386.50 and LCTRG of £85,088.50) and the second instalment of £1,073,474 (Precept of £987,386.50 and LCTRG of £85,088.50) was paid on 1 October 2024.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- Review "Aged debtor" listings to ensure appropriate follow up action is in place

Income from council activities is controlled by the Senior Accountancy Assistant and Finance Manager. Debtors are controlled within a 21 day payment request. Any aged debtors are subject to follow up action.

- Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.

On the initial allocation of an allotment, signed tenancy agreements are requested which are retained in the council office. Full details of all allotment allocations are maintained on a comprehensive spreadsheet which lists details of all plots held by the council, who has the agreement with the council and for which allotment, the relevant charge for the allotment band and whether it has been paid. This is controlled by the Grounds Maintenance manager and office staff.

Tenancy agreements are maintained on a rolling contract unless someone notifies the council that they wish to relinquish their allotment or they are served with a termination notice by the council.

A sample check of tenancy agreements has been previously checked for the St Oswalds site. Most were signed agreements. Some new agreements are dealt with by email and as such are not necessarily physically “signed”. It is taken that the Tenancy Agreement has been signed when payment is received for the allotment.

Bills are levied on an annual basis for the period January to December of each year. Some different date rentals and charges exist for poultry and beekeeping plots.

Allotment tenancy bill invoices are prepared by the finance section based on information provided by other office staff. Once produced they are double checked for accuracy and distributed to tenants with an accompanying annual letter. An example of the letter and invoice which was sent to tenants between the 10 and 12 December 2024 has been sighted and examined. In an effort to save costs, this year they were sent, in the main, by email rather than by post. After a successful introduction, this approach will continue for future years.

Legally, twelve months notice is required to be given to allotment holders concerning any increase in allotment rents. For example when new rental charges for January to December 2025 are issued in December 2024, tenants are notified of their January to December 2026 rental too.

The 2026 allotment charge rentals were agreed at the Special Policy and Resources Committee held on 13 November 2024.

Allotment tenancy holders have 21 days to pay their tenancy agreement. If not paid by this date follow up reminders are issued and a further follow up reminder if not paid following the initial reminder. Legally if an allotment tenancy is not paid within 40 days the tenancy can be terminated.

Officers allow a little more time to pay bills before eviction. Bills can be paid by cash, cheque or BACS and full payment details are recorded on the spreadsheet.

- *Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)*

The digitised burial register has been inspected. All records for both cemeteries have been digitised. A separate hard copy burial register is also maintained which has been inspected for accuracy. If one of the hard copy records are lost (which they should not be) details of the register etc can be provided from other records available and the lost information can be

recreated. The digital records held will also enable any lost hard copy records to be recreated.

Burial fees and charges are reviewed and approved by council on an annual basis, usually in November to become effective on 1 April following. The 2025/26 charges were approved at the Special Policy and Resources Committee held on 13 November 2024.

Whenever a grant of burial is issued the appropriate paperwork is prepared. This is only issued once independent checks have been made. These checks involve the clerk and other council staff. The Clerk's signature is required before any paperwork is issued or invoices raised.

Appropriate fees are raised by an invoice created by the Senior Accountancy Assistant. This is only undertaken following the issue of an invoice requisition which is issued by the Grounds Maintenance Manager. Charges are shown on this requisition by the Grounds Maintenance Manager which are checked for accuracy by finance staff before the invoice is raised for payment.

A sample check of Grant of rights of burial were selected for inspection including resident and non resident burials. Appropriate charges were levied in accordance with the councils approved Fees and Charges.

- Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised.

Hall hire only occurs in the Sports Centre and is arranged through the council's XN advantage/TMLS database system. Functions and Block bookings are arranged via the raising of invoices. Sports centre staff notify Finance Section of function invoices to be raised. Finance section will raise invoice and notify the sports centre when payment has been made and they update spreadsheet to control aged debtors etc.

- Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time.

The council has no leases with other organisations at the moment. It has a rental arrangement with an undertaker who rents part of a cemetery property. This is reviewed every five years.

- Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income.

The council has a few income streams such as a mast in the depot, solar panel income through a feed in tariff, investment income which do not require the raising of an invoice.

Other income generated includes hire of halls which is controlled through the XN advantage/TMLS database system, invoices are raised for these charges.

Invoices are prepared for other miscellaneous income such as carers accompanying senior citizens on trips and chargeable pre-school income. Miscellaneous charges are levied, for example dog poo bags which can be purchased from the council offices. A receipt is issued and the appropriate accounting arrangements are made to reflect these types of purchases.

Once again information is supplied to the Finance Section who will raise the necessary invoices, ensure payment and seek aged debtor repayments if required.

Allotment, football pitch and burial income is raised through the issue of invoices but see the information shown above.

- Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked.

The council's half yearly precept and grant payments are due from Durham County Council in April and October each year. A register is not maintained but the amount is immediately recognisable in the bank statements. Finance staff are fully aware of this payment for cash flow and treasury management purposes.

Quarterly meter readings are submitted for the Solar Panel installations and the feed in tariff agreement results in a payment being received without raising an invoice. Similarly, income from the mast in the depot is automatically paid as part of the agreement.

- VAT has been appropriately applied and recorded in the accounts for all invoices raised by the council.

VAT is appropriately accounted for and applied to invoices raised by the council. A sample check of invoices has been undertaken.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently a "not covered" response is frequently required in this area

Great Aycliffe Town Council has retained its system of Petty Cash Accounts in addition to having a Credit and Debit card in operation. Financial Regulation 13.67 indicates that the following Petty Cash accounts are operational.

- (1) Council Offices Petty Cash £200
- (2) Sports Complex Petty Cash £150
- (3) Works Department Petty Cash £100
- (4) St. Oswalds Preschool Petty Cash - £200

In addition to this there are the following operational Floats

- (1) Sports Complex Float (held in Council Office) £2,000
- (2) Petty Cash Float (held in council office) £1,000
- (3) Bar Safe Float (Sports Complex) £1,000
- (4) Bar Floats for two tills (Sports Complex) 2 X £100
- (5) Bar Float additional (Sport Complex) - £200
- (6) Golf Complex Float £150
- (7) Sports Complex reception float £40
- (8) Golf Complex Tea/coffee vending machine £20

A credit card is used in the council offices for office purchases and a debit card (Financial Regulation 13.71 & 13.72) is used for food purchases in the sports complex.

- Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc)

Petty cash and float system procedures are controlled by the Financial Regulations produced and agreed by the council every year. The general rules (section 13.68) are as follows

- A. *There is a petty cash float limit of £250*
- B. *Receipts must be retained for payments made from Petty Cash to substantiate the payment and VAT receipts should be requested for all purchases to which VAT applies.*
- C. *Claims to reimburse petty cash floats must be made to the Finance Section as and when required accompanied by receipts for all payments claimed for.*
- D. *In no circumstances should any income received by the service area be paid into the petty cash float. Income must be separately banked, as set out in Financial Regulation 15.*
- E. *Payments to reimburse Petty Cash Floats will be made by the Finance Section and drawn against the Petty Cash Float (£1,000 see above) as set out in Financial Regulation 13.70*
- F. *The Finance Section will keep records of all petty cash top ups*
- G. *Petty Cash will be posted up and reconciled on a regular basis by the Finance Section.*

The above procedures are being adhered to and remain fit for purpose.

- Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held.

Petty cash transactions were inspected by internal audits carried out during

the year. The inspections revealed that all petty cash payments were supported by appropriate documentation.

- Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held.

Two floats were identified within the golf complex and sports centre which had not previously been accounted for. They are cash floats held in vending machines which are used to supply change to customers. Procedures have been implemented to ensure they are properly accounted for.

Evidence shows an independent verification of petty cash accounts and float submissions to finance section for reimbursement. Float balances are continually checked by office staff.

The Sports Complex float held in the council office safe is now used very infrequently and had not been used in the financial year up to and including the date of the internal audit (25 October 2024). Remaining balance audited and agreed on 25 October 2024.

The Petty cash float is continually checked by staff and was internally audited on 25 October when the remaining balance was agreed as £261.37. Float transactions were checked to individual petty cash reimbursements on 17 December 2024.

Petty cash balances are also independently verified by the council's Corporate Assistant on a rolling basis.

- Ensure that VAT is identified wherever incurred and appropriate

Examination of a sample of documents revealed that VAT was appropriately accounted for on petty cash purchases.

- Physically check the petty cash and other cash floats held.

Internal audit investigations included a physical check on the two cash floats in October 2024. Petty cash account physical checks were undertaken as follows:

Council Offices Petty Cash £200

This account was audited on the 18 December 2025 and there were no discrepancies to report

Sports Complex Petty Cash £150

This account was audited on 18 December and there were no discrepancies to report. It was also independently internally checked on 17 December by the council's Corporate Assistant with no discrepancies to report.

Works Department Petty Cash £100

The works Department Petty Cash was audited and verified as correct on the 28 January 2025

St. Oswalds Preschool Petty Cash - £200

The Pre School Petty cash return for December was examined on 30 January 2025 and found to be correctly accounted for.

In addition to this there are the following operational Floats

Sports Complex Float (held in Council Office) £2,000

This float of up to the value of £2,000 (Financial Regulation 13.70) is held to replenish the change float at the sports centre as required. This is topped up as and when required. This float was internally audited on 25 October 2024 when the balance remaining was £380.

Petty Cash Float (held in council office) £1,000

A central petty cash float is held to the value of £1,000 (Financial Regulation 13.70) to replenish the service area petty cash shown above. This is replenished as and when required as the year progresses. This float was internally audited on 25 October 2024 when the balance remaining in this account was £261.37.

Bar Safe Float (Sports Complex) £1,000

Used on a daily basis by sports complex staff. Used to replenish coins in the till so denominations continually change but balance always held at £1,000. Checked out twice daily by duty managers on shift change. Independently checked by the Councils Corporate Assistant on 17 December 2024.

Bar Floats for two till (Sports Complex) 2 X £100

One float independently checked and balance by the councils Corporate Assistant on 17 December 2024. The other float was in use and could not be balanced.

Bar Float additional (Sport Complex) - £200

An additional bar float of £200 is retained in the sports complex. This was internally audited by the Councils Corporate Assistant on 17 December 2024 as part of a quarter end procedure and found to be fully present at the time of the audit.

Golf Complex Float £150

Sports Complex reception float £40

Audited and balanced independently by the councils Corporate Assistant on 17 December 2024

Golf Complex Tea/coffee vending machine £20.

New procedures have been introduced to control this cash float in the vending machine. The procedures appear to be operating well.

A credit card is used in the council offices for office purchases and a debit card (Financial Regulation 13.71 & 13.72) is used for food purchases in the sports complex.

- Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till “Z” total readings.

Z total readings are reconciled at the change of each shift by both the bar and reception area staff. There are occasionally under and overtaking of cash which are appropriately recorded in the councils accounts.

“Over and unders” are examined by managers to see if a reason can be identified for their occurrence.

Unders and overs are recorded in the council’s accounting systems..

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

G Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, and PAYE and NI requirements were properly applied.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract.

There are currently seventy one staff on the staff establishment, four of which are vacancies and one of which is a frozen post. A further twenty one staff are included on the casual staff register. Casual staff are on zero hours. These numbers will fluctuate from time to time due to staff leaving, retiring, starting etc.

A sample check of permanent (10) and casual based staff (2) on the August 2024 payroll were selected during the audit undertaken in September 2024. Contracts of employment were in existence for all those sampled.

- Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liabilities

Members Allowances are paid on the 21 of each month as part of the normal council payroll processes. An appropriate deduction is made for any PAYE due using individual members tax codes issued by HMRC. There are no National Insurance implications as the monthly amounts are below the current minimum thresholds.

- Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours

Sample check taken reveals that all employees sampled were receiving the correct rate of salary in accordance with information contained on the Staff Register. NJC rates of pay paid to all employees. The contracted hours shown on the staff register were verified as being applicable to the salaries paid for August 2024.

Subsequent amendments were made to salaries following the agreement of NJC rates payable from 1 April 2024 to 31 March 2025. A further check on the revised salaries payable from 1 November and arrears payable for period 1 April to 31 October 2024 was undertaken in December 2024.

Appropriate revised 1 April 2024 salaries were paid from 1 November with arrears calculated and paid for the period 1 April 2024 to 31 October 2024.

- Ensure that appropriate tax codes are being applied to each employee

Appropriate tax codes, issued by HMRC are being applied to the sample of employees taken from the August payroll.

- Where free or paid for software is used, ensure that it is up to date.

Software is updated by the council's supplier to ensure correct PAYE and NI contributions are payable. Software is up to date and operating well.

- For the test sample of employees, ensure that tax is calculated appropriately.

PAYE deductions were correctly calculated using the PAYE tax codes entered into the salary system. Sample checks revealed the correct amount of tax was being deducted.

- Check the correct treatment of Pension contributions

Employee pension contributions vary according to staff salary levels and appear to be correct for the sample checks carried out on the August 2024 payroll.

Employer contributions are 19.5% of gross pay. This is in accordance with the Actuarial Report produced by actuaries of the DCC Pension Fund to whom the parish council sector in County Durham contributes.

The current salary software does not accommodate the calculation of the employee and employer pension contributions.

An annual manual calculation of employee contributions is calculated on a separate spreadsheet. These details are then introduced into the salary system once to enable the correct taxable pay to be calculated and the appropriate HMRC PAYE tax to be deducted. The manual calculation of employee pension contributions will not need to be amended unless there is a change in salary during the year e.g. a pay award is approved. A similar manual calculation and system is adopted for the for councils employer pension contribution.

Employee pension contributions are deducted from gross pay so correct PAYE deductions can be made.

Similarly the Senior Accountancy Assistant also has to manually calculate the correct employer pension contributions to pay over to the pension fund.

Individual manual calculations are also made for those staff whose salaries fluctuate due to overtime payments.

- For NI, ensure that the correct deduction and employer's contributions are applied. N.B. The employers allowance is not available to councils but may be used by other authorities.

In September a sample was taken from the August 2024 payroll which revealed that Employees NI is calculated correctly by taking gross salary less the primary threshold of £1,048 per month and multiplying the result by 12%. This concurs with the HMRC requirements.

The sample checked also revealed that Employers NI is calculated correctly by taking gross salary less the secondary threshold of £758 per month and multiplying the result by 13.8%. This concurs with the HMRC requirements.

It is noted that as a result of a recent government budget there are changes being made to both the lower primary threshold before employers national insurance is payable (reduced from £758 to £417 per month) and a corresponding increase in the employers percentage rate of national insurance from 13.8% to 15%.

This will have an impact on the councils 2025/26 budget with an estimated increase of around £56,000 in employers national insurance contributions.

- Ensure that the correct employers' pension percentage contribution is being applied

The actuarial valuation employers rate of 19.5% notified by Durham County Council Pension Fund administrators is being applied for the employers pension contribution. Employer contribution rates, as above, only require updating if salaries change or hours worked vary from month to month.

An Actuarial Valuation of the Superannuation Fund is due in 2025/26 and once the valuation is finished the current 19.5% rate may be subject to change with an implementation date of 1 April 2026.

- Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.

Net pay staff payments sampled from the August payroll. All reveal that correct tax, NI and pension contributions had been deducted.

Appropriate payments made from the August payroll for all agencies including HMRC, Durham County Council (Pension contributions), Unions, Student Loans, AVC's made on 19 August 2024.

Both officer salaries and members allowances are processed through the same payroll.

August 2024 employee salaries and members allowances were examined during an audit carried out in September 2024. PAYE and NI requirements were appropriately calculated and paid over to HMRC by the required monthly deadlines.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

H Asset and investments registers were complete and accurate and properly maintained. This section/assurance should be extended to include loans to or by the authority.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

Tangible Fixed Assets

- Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price net of VAT and removing any disposed of / no longer serviceable assets

The council maintains an asset register. The 2023/24 Asset Register is shown online. Assets are recorded at Existing Use Value/Depreciated Replacement Cost, open market value and or historic cost price on the register.

New additions and disposals can be seen on this register. For example a new van was purchased on 21/03/24 and this is recorded at the purchase price. Similarly the council purchased some fairway mower cylinders which were

added at cost price to the asset. By contrast the height restrictor to the council car park was destroyed by a van accident and has been removed from the asset register.

- Physically verifying the existence and condition of high value, high risk assets may be appropriate.

The council's major assets such as land and buildings are self evident. Other high value, high risk assets are held in the Councils depot and are used on a daily basis.

- Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement.

The Asset register does show the asset purchase cost but does not show the replacement cost/insured cost. This information is held elsewhere within working papers and is used to apportion the insurance premiums across the assets values held in individual service budgets.

The Council's Ten Year Asset Management Plan also contains details of asset replacement costs. This is used for budget setting procedures especially for any future asset/capital purchases.

- Additions and disposals records should allow tracking from the prior year to the current.

This is reflected in the asset register document.

- Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and/or disposals

The 2022/23 AGAR Section 2 line 9 figure was £9,873,236 whilst the 2023/24 asset register figure of £9,932,675 shown in Section 2 Line 9. This figure agrees with the 2023/24 asset register which is shown online.

- Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority

It would appear, from an explanation provided, that not all asset register entries are readily identifiable in the Insurance Schedule. It would however seem that appropriate insurance arrangements are in place.

Fixed asset investments.

- Ensure that all long-term investments (i.e. those for more than 12 month terms) are covered by the "Investment Strategy" and reported as Assets in the AGAR at section 2, line 9.

The council has no long term fixed asset investments

Borrowing and Lending:

- Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired.

The council only has one loan approval in operation. This is for £200,000 over a 25 year period taken out in 2004 for the creation of a Town Park. Appropriate approval was sought and granted for this loan to proceed with the Public Sector Loan Board (PSLB). At the start of 2024/25 the balance outstanding was £68,056. A further £10,989.59 of principal has been repaid during the year resulting in an outstanding balance at 31 March 2025 of £57,066.

- Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt.

It is assumed that the value of the loan was correctly accounted for in 2004. The current outstanding value is correct and balances with information provided by the PSLB.

- Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5.

Appropriate principal and interest payment figures for 2023/24 (£14,136) and 2024/25 (£14,386) are shown on the AGAR at section 2 Line 5

- Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the DMO website)

Appropriate figures of the outstanding loan amounts are reflected in Section 2 line 10 of the AGAR. This has been verified to the loan schedule received on the taking out of the loan in 2004.

- Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt.

Great Aycliffe Town Council has not issued any loans to other bodies.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

I Periodic bank account reconciliations were properly carried out during the year.

JPAG Governance and Accountability guidance recommends the following to be

assessed as part of this assertion.

- Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members.

Monthly bank reconciliations are prepared by the Senior Accountancy Assistant to ensure the integrity of nominal ledger information to the independently produced bank account information. This information is further checked by the Finance Manager before submission to members.

Monthly bank reconciliation details are reported to the Policy and Resources (P&R) as part of the Accounts Control Sheets report. For examples see reports dated 25 May and 17 July referenced above. Minutes of these meetings reflect that the P&R Committee members have approved or “signed off” these figures.

With monthly bank reconciliations carried out, this ensures that transactions have been appropriately recorded, maintained, reported to and approved by members.

- Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.

The 2023/24 AGAR section 2 line 8 (£2,029,925) was checked and agreed to the year end combined cash and bank balances. This comprised of current account (£194,804.59), Sports Complex Catering account £200.00, Business Premium account (£201,597.09), Public Sector Deposit account (£1,650,000.00) Petty cash floats (£3,098.64) and cash in transit (£23,175.73) less Unpresented cheques of £43,310.40)

- Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.

The Council's Investment Strategy is referenced within the Financial Regulations and Treasury Management Code of Practice which set out the detailed framework and guidelines for the management of the Council's investments. The Treasury Management Code of Practice takes account of the MHCLG'S statutory guidance on local government investments.

This is used whenever required but more often than not only when precept payments are received and increased cash flow can lead to the investment of funds.

The Council tends to only use short term investments, via a business deposit account with its bank and the CCLA Public Sector Deposit Fund.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

J 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.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

Whilst IA's are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at section 2 of the AGAR reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should

- Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein

In accordance with JPAG Guidance the council prepares its accounting statements on an income and expenditure basis including details of comprehensive accruals at year end. This ensures that an accurate record of actual costs incurred for the year end are prepared on an income and expenditure basis.

- Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end

Extensive and appropriate accruals are made by the Finance Manager at the year end.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

K If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt. If the Authority had a limited assurance review of its 2022/23 AGAR tick “not covered”.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- IA's should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000)
- the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline.
- that it has been published, together with all required information on the Authority's website and noticeboard

This exemption is only available to smaller councils that have an annual gross

income or expenditure of less than £25,000 per annum. Therefore, Section K does not apply to Great Aycliffe Town Council as it is not able to certify itself as exempt from a limited audit review. I have therefore ticked “not covered” for this section.

L The Authority publishes information on a free to access website/webpage, up to date at the time of the internal audit, in accordance with the relevant legislation.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

IA's should review the Authorities website ensuring that all required documentation is published in accordance with the relevant legislation.

This test applies only to those councils covered by the £25,000 External Audit exemption IAs should review the Authority's website ensuring that all required documentation is published in accordance with the Transparency Code.

However, local councils such as Great Aycliffe Town Council with a gross annual income or expenditure exceeding £200,000 are subject to the Local Government Transparency Code 2015. Section 2 of this document requires the following information to be published on a council website.

On a quarterly basis

- Details of any expenditure exceeding £500. *At the time of inspection (January 2025), details of expenditure exceeding £500 is shown (on a monthly basis) online for April to December 2024.*
- Government Procurement Card transactions. *This is not applicable to Great Aycliffe Town Council.*
- Procurement information exceeding £5,000. *This level of expenditure detail is included in the above report detailing expenditure over £500.*

On an annual basis

- Local Authority land - *Details of land and property are shown on a Land and Property Owned by GATC document which is available for inspection online. Mapping details are also available online for each area of land owned by the council.*

The councils Asset Register 2023/24 is also available online and this lists all of the council's assets including land assets. This is updated on an annual basis as part of the final accounts process. This needs to be updated to reflect the Asset Register for 2024/25

There is also online evidence of a 10 year Asset Management Plan produced in June 2018. The schedule of assets reflected in this plan is updated annually.

- Social Housing assets -

This is not applicable to Great Aycliffe Town Council.

- Grants to voluntary, community and social enterprise organisations -

The council has produced a Grants and Donations Policy which is available for inspection online.

Details of grants made to organisations are recorded in the council's minutes and a separate spreadsheet is also produced for public inspection. The spreadsheet for 2023/24 is readily available online as part of the council's Transparency information. 2024/25 information should be added as soon as possible.

- Organisation chart

The council's April 2024 Town Council Organisation Structure document provides this information online. This is therefore readily available for inspection.

- Trade union facility time

This is not applicable to Great Aycliffe Town Council.

- Parking accounts

This is not applicable to Great Aycliffe Town Council.

- Parking spaces -

This is not applicable to Great Aycliffe Town Council.

- Senior salaries

Salary Information for the highest and all staff are shown online for 2024/25.

- Constitution -

The council's Constitution is continually available online. It is examined and considered annually to ensure it meets the full council's requirements.

- Pay multiples

Salary Information and pay multiple information is shown online for 2024/25. This information includes detail of the pay multiple (3.11) between the highest paid officer and the median earnings of the whole council workforce.

- Fraud

Nothing to report on this topic. The Council has an Anti Fraud and Corruption Policy in place which is shown online.

Details to be published only once

- Waste Collection Contracts

This is not applicable to Great Aycliffe Town Council.

The Code then goes on to say that it recommends more information should be published than is shown above, for example:-

- Expenditure data exceeding £250 and not £500 as reflected above.

This information can be found in the Policy and Resources Committee reports which are published on a six weekly basis

- Procurement over £500 and not £5,000 as reflected above

As above

- Local authority land published on a monthly basis.

Provided on an annual basis

- Parking spaces

Not applicable

- Organisation chart employees exceeding £50,000, salaries band for each employee. Details of any current vacancies or ones which are going to be advertised in the future.

Vacancies are shown online as they arise. Organisation chart and employee salaries are shown online for 2024/25.

- Grants shown on a monthly basis instead of annually

All grants are reported to Policy and Resources Committee and can be readily identified from the Committee Agendas and minutes.

- Fraud

In addition to the above accounting procedures the council has to complete its Annual Governance and Accounting Return (AGAR) statements each year. In relation to this Accounts and Audit Regulations 2015 require authorities to publish the following information on their website/web pages:-

Before 1 July 2024 authorities must publish

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited.

This was achieved on 13 June 2024.

- Section 1 of AGAR: The Annual Governance Statement 2023/24 approved and signed, page 4.

This was achieved by the publication of signed Section 1 of the AGAR on 13 June 2024. The Annual Governance Statement is based on eight assertions which council approved on the 12 June and was published online on 13 June 2024.

- Section 2 of AGAR Accounting Statements 2023/24 - approved and signed page 5.

This was achieved by the publication of Section 2 of the AGAR on 13 June 2024. This is a document giving details of the financial position of the council over a two year period.

Not later than 30 September 2024 Authorities must publish

- Notice of Conclusion of Audit.

The external audit was completed by External Auditors on 18 September 2024 and details posted online before 30 September 2024 The external audit opinion was then considered and approved by Full Council on 30 October 2024.

- Section three of AGAR External Auditor Report and Certificate.

This report and certificate was also posted online before 30 September and considered and approved at Full Council on 30 October 2024

- Sections 1 & 2 of AGAR including any amendments as a result of the limited assurance review.

Once again this was posted online before 30 September and considered and approved at Full Council on 30 October 2024.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that the council also publish the Annual Internal Audit Report (page 3).

This was achieved on 13 June when full details of the Internal Auditors Report was published online on the councils website.

Account and Audit Regulations also require that a “Public Notice” is issued identifying

the statutory 30 working day period when the Authority's records are available for public inspection.

Following full council approval on 12 June, the Notice of the Exercise of Public Rights for the 2023/24 accounts was published online on 13 June 2024. Approval was granted on the dates set for inspection (14 June 2024 to 25 July 2024) at the full council meeting held on 12 June 2024. The dates set include the mandatory first two weeks of July and cover the thirty day working period required under the Local Audit and Accountability Act 2014 and the Accounts and Audit (England) Regulations 2015. The dates set by the council are recorded in minute 38 of the council's records.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

M The Authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection.

The council's Public Notice, which was added to the council's website on 13 June, has been examined and clearly identifies the statutory 30 day working period of public inspection. The period quoted also includes the first two working weeks of July as required by law.

- IAs may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

Following full council approval on 12 June, the Notice of the Exercise of Public Rights for the 2023/2024 accounts was published online on 13 June 2024. Approval was granted on the dates set for inspection (14 June 2024 to 25 July 2024) at the full council meeting held on 12 June 2024.

The dates set include the first two weeks of July and covers the thirty day working period required under the Local Audit and Accountability Act 2014 and the Accounts and Audit (England) Regulations 2015 (SI 234).

The dates set by the council are recorded in minute 38 of the council's records for the 12 June meeting.

Great Aycliffe Town Council has complied with the publication requirements for the 2023/24 AGAR and I am therefore of the opinion that this assertion has been complied with and have certified it accordingly.

N The Authority has complied with the publication requirements for the prior year AGAR

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.

The statutory/publication requirements in relation to the prior years AGAR have been met.

Under the Accounts and Audit Regulations authorities must publish the following information on the authorities website/web pages:-

Before 1 July 2024 authorities must publish

- **Notice of the Period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited.**

This was achieved on 13 June 2024.

- **Section 1: The Annual Governance Statement 2023/24 approved and signed, page 4.**

This was achieved by the publication of signed Section 1 of the AGAR on 13 June 2024. The date of agreement was recorded in minute 37 of the Council meeting held on 12 June 2024

- **Section 2 Accounting Statements 2022/23 - approved and signed page 5.**

This was achieved by the publication of Section 2 of the AGAR on 13 June 2024. The accounting statements were considered and approved at the council meeting held on 12 June 2024 and recorded in minute 38 of this meeting.

Not later than 30 September 2024 Authorities must publish

- **Notice of Conclusion of Audit**

This notice was posted online on 25 September 2024 and was then considered and approved at a Full Council meeting held on the 30 October 2024.

It was pleasing to note that an unqualified audit opinion was issued by the external auditors. However, details of an external audit minor scope for improvement recommendation that 'gov.uk' email addresses be issued to all councillors was discussed.

- **Section three External Auditor Report and Certificate**

This notice was also posted on 25 September 2024 and considered and approved at a Full Council meeting held on the 30 October 2024.

- **Sections 1 & 2 of AGAR including any amendments as a result of the limited assurance review**

These sections (unamended) were published online on 25 September 2024 and considered at a Full Council meeting held on the 30 October 2024.

- **It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report (page 3).**

This was achieved on 13 June when full details of the Internal Auditors Report (page 3) was published online on the councils website. The Internal Auditors report was considered and approved at the council meeting held on 12 June 2024.

I am of the opinion that Great Aycliffe Town Council has met this criteria and can therefore certify the Internal Audit Report (page 3) accordingly.

O Trust Funds (including charitable) - The council met its responsibilities as a trustee.

JPAG Governance and Accountability guidance recommends the following to be assessed as part of this assertion.

- Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements
- that the council is the sole trustee on the Charity Commission register
- that the council is acting in accordance with the Trust deed
- that the Charity meetings and accounts recorded separately from those of the council
- review the level and activity of the charity and where a risk based approach suggests such, review the Independent Examiners report

Great Aycliffe Town Council is not involved in any Trust (including Charitable Trusts). I have therefore certified the Internal Audit Report as not applicable.

Stephen Ragg
Internal Auditor
February 2025