INTERNAL AUDIT

Council:
Bradford Trident CC

Auditor:
Sabrina Doherty

Questions and Responses

Please see following pages...

About Office Elite Limited

Office Elite Limited is an Office Support and Technical Services and Consulting Practice owned and run by Sabrina Doherty who is a CiLCA qualified clerk with 26 years of Local Government experience, maintaining Principal membership of the Society of Local Council Clerks. She is partnered by Steven Doherty who has 25 years of experience in the IT industry.

Sabrina started conducting Town and Parish Council Audits in 2024 having practiced as a Clerk since 2019.

This review has been conducted by Sabrina Doherty PSLCC who is the appointed Internal Auditor for the Council.

Key Findings

Accounting Records

A1: What accounting system does the authority use?

Auditor Comment: The Council manages its accounts using a spreadsheet.

A1: Are the cash book or accounting records kept up to date throughout the year?

Auditor Response: **Yes**

A2: Are monthly control totals or cash summaries reviewed so errors are spotted promptly?

Auditor Response: **No**
Auditor Comment: The cashbook is very simple with limited monthly transactions.

A3: Do opening balances for the year agree to the prior year closed accounts / AGAR?

Auditor Response: **Yes**

A4: Is there a clear audit trail from bank entries and invoices back to the accounting records?

Auditor Response: **Yes**

Governance, Expenditure & VAT

B1: Have Standing Orders been formally adopted and kept current?

Auditor Response: **Yes**

B2: Have Financial Regulations been formally adopted and kept current?

Auditor Response: **Yes**
Auditor Comment: There is a revised version of the model financial regulations available which the Council should consider using at its next review as the approved set is currently out of date.

B3: Is expenditure approved in line with Financial Regulations, delegated authority and minuted decisions?

Auditor Response: **Yes**

B4: Is each payment supported by an invoice/receipt and, where relevant, VAT evidence?

Auditor Response: **Yes**

Key Findings

B5: Have procurement and tender thresholds in Financial Regulations been followed for larger purchases/contracts?

Auditor Response: **N/A**

Auditor Comment: The Council does not make large purchases requiring a formal tender process.

B6: Have direct debits, standing orders or recurring payments been approved and reviewed periodically?

Auditor Response: **N/A**

B8: Is VAT correctly identified, recorded and reclaimed or paid where appropriate?

Auditor Response: **Yes**

B9: If debit or credit cards are used, are they governed by policy, spending limits and review?

Auditor Response: **N/A**

Risk Management

C1: Has the authority reviewed and approved a risk assessment during the year?

Auditor Response: **Yes**

Auditor Comment: The risk assessment could do with being improved as its not a true assessment of risks, its a list of internal controls. There are more risks for the council than financial ones to consider too.

C2: Has insurance cover been reviewed to ensure key risks and assets are adequately insured?

Auditor Response: **Yes**

C3: Is fidelity guarantee / employee dishonesty cover in place at a level appropriate to funds handled?

Auditor Response: **Yes**

C4: Has the council reviewed the effectiveness of its internal control arrangements during the year?

Auditor Response: **Yes**

Auditor Comment: The review was carried out as part of considering the Annual Governance Statement when signing off the 2024-25 AGAR.

C5: Are there arrangements to prevent and detect fraud and corruption (for

Key Findings

C5: example approvals, separation of duties or counter-fraud awareness)?

Auditor Response: Yes
Auditor Comment: The Council has a separate internal controls meeting which reviews records in detail.

Budgetary Control

D1: Was the annual budget approved by council before the start of the financial year?

Auditor Response: Yes

D2: Did the precept or rates demand result from the approved budget and receive formal approval?

Auditor Response: No
Auditor Comment: The Council does not raise a precept as it receives funds from a local business. However, with this funding being in jeopardy this year the Council should have considered if it could meet its obligations with the funds it has remaining without any other income source. The Clerk has warned the Council several times of impending bankruptcy by the end of March 2027. It is not clear from the minutes, but, unless the Council had the promise of sufficient funds to cover the 2026-27 financial year it has set a deficit budget, which is unlawful.

D3: Were budget monitoring reports presented to council during the year?

Auditor Response: Yes

D4: Were general and earmarked reserves reviewed and is the level of reserves explained?

Auditor Response: Yes
Auditor Comment: The Council has limited reserves and will effectively be spending them all to keep the Council running for the 2026-27 financial year. This is a precarious position to be in and the Council must seriously consider its decision to not raise a precept.

Income

E1: Have fees, charges, rents or other regular income rates been reviewed and approved where relevant?

Auditor Response: N/A

E2: Is all expected income recorded promptly and completely in the accounting

Key Findings

E2: records?

Auditor Response: Yes

E3: Is income banked promptly and intact?

Auditor Response: N/A
Auditor Comment: All income is received direct to the bank.

E4: Are grants, CIL or other restricted income streams tracked against any conditions or permitted use?

Auditor Response: N/A

E5: Are debtors, arrears or unpaid invoices monitored and followed up where relevant?

Auditor Response: N/A

Payroll

G1: Are staffing structure, contracts and salary scales approved by the authority?

Auditor Response: Yes

G2: Is payroll operated in accordance with PAYE, NI and pension requirements?

Auditor Response: Yes

G3: Are salary changes, overtime, expenses and honoraria approved before payment?

Auditor Response: Yes

G4: If member allowances are paid, are they approved and correctly reported?

Auditor Response: N/A

Assets & Investments

H1: Is the asset register complete, current and reviewed at least annually?

Auditor Response: Yes

H2: Are additions, disposals and ownership/rights changes properly approved and reflected in the asset register?

Auditor Response: Yes

Key Findings

H3: Does the asset register broadly agree to insurance schedules and other key records?

Auditor Response: Yes

H4: Are investments and long-term deposits recorded, authorised and reviewed?

Auditor Response: N/A

Bank Reconciliation

I1: Are bank reconciliations completed regularly for all bank and deposit accounts?

Auditor Response: Yes

I2: Are bank reconciliations independently reviewed and evidenced?

Auditor Response: Yes
Auditor Comment: Ideally the bank statements and reconciliation reports would be counter signed by two councillors to confirm that they have viewed and checked the documents.

I3: Are unusual reconciling items, old unpresented payments or transfers investigated promptly?

Auditor Response: Yes

Year-End Accounts & AGAR

J1: Were the year-end accounts prepared on the correct accounting basis for the authority?

Auditor Response: Yes

J2: Do the AGAR accounting statement figures agree to the underlying cash book / ledger and reconciliations?

Auditor Response: No
Auditor Comment: The Box 7 figure is overstated by £1, the rounding would round down. However this is within tolerance.

J3: Where applicable, are debtors, creditors, accruals and other year-end adjustments properly recorded?

Auditor Response: Yes
Auditor Comment: Unpresented cheques (creditors) are listed and accounted for in the difference between boxes 7 and 8.

Key Findings

J4: Have the AGAR boxes, cross-casts and prior-year comparatives been checked before approval?

Auditor Response: Yes

J5: For Accounting Statements Box 11, do the figures include any trust transactions?

Auditor Response: No

Website, Publication & Public Rights

L1: Does the authority maintain an active website or webpage that is accessible to the public?

Auditor Response: Yes

L2: Are core governance and finance documents published and kept up to date on the website?

Auditor Response: Yes

L3: Is the authority's website content sufficiently current at the time of internal audit?

Auditor Response: Yes

L4: Where the Transparency Code applies, are the required transparency publications available?

Auditor Response: Yes

M1: Were the dates for the exercise of public rights set correctly for the prior year's accounts?

Auditor Response: Yes

M2: Was the notice of public rights published with the required supporting documents?

Auditor Response: Yes

M3: Were records available for inspection during the public rights period if requested?

Auditor Response: Yes

N1: Was the prior-year AGAR publication pack complete (including the required sections, notices and external auditor report where applicable)?

Key Findings

Auditor Response: Yes

N2: Did the prior-year AGAR publication pack remain available on the website / webpage at the time of internal audit?

Auditor Response: Yes

Internal Audit & Follow-up

AU1: Has an independent internal auditor been appointed for the year?

Auditor Response: Yes

AU2: Did the internal auditor have access to records and report their findings to the authority?

Auditor Response: Yes

AU3: Are recommendations from internal and external audit logged, tracked and given target dates?

Auditor Response: Yes

AU4: Has the council formally considered audit reports and minuted actions taken or planned?

Auditor Response: Yes

Legal Compliance & Commitments

LC1: Were any actual or potential breaches of law, regulation or proper practice identified during the year?

Auditor Response: No

LC2: Where the authority relies on the General Power of Competence, is the enabling resolution current and properly evidenced?

Auditor Response: N/A

LC3: Were there any significant litigation matters, liabilities, commitments or post-year-end events with financial impact?

Auditor Response: No

LC4: If such matters existed, were they reflected in or considered for the year-end accounting statements?

Key Findings

Auditor Response: N/A

IT & Data Management

O1: Has the authority adopted and reviewed an IT policy within the last 12 months?

Auditor Response: Yes

O10: Have staff and councillors received basic IT, cyber security or data protection awareness guidance/training?

Auditor Response: No

Auditor Comment: There are free resources available on the ICO website and the gov.uk website. Both should be promoted to the Councillors to ensure that they understand some of the key issues and related risks.

O11: Where third-party systems or suppliers store council data, are there appropriate contracts or processor terms in place?

Auditor Response: N/A

O12: Are electronic records stored in an organised way so key documents can be retrieved promptly for audit, FOI or subject access requests?

Auditor Response: Yes

O2: Is responsibility for IT systems and data management clearly assigned?

Auditor Response: Yes

O3: Is the authority registered with the ICO and is the registration current?

Auditor Response: Yes

O4: Are a Data Protection policy and Privacy Notice adopted and current?

Auditor Response: Yes

O5: Is there a records retention schedule and secure disposal process for paper and electronic records?

Auditor Response: Yes

O6: Are council email accounts, domains and user access controlled so leavers can be removed promptly and only authorised users have access?

Auditor Response: N/A

Key Findings

Auditor Comment: Only the Clerk currently has a central controlled email account. This is managed through gmail which is not ideal and should be tied to the Council's domain name. However the Council is looking into obtaining a gov.uk domain which will enable email accounts to be domain linked going forward.

O7: Which baseline cyber controls are in place?

Auditor Comment: The Council has basic controls in place. Given the limited activity this is likely sufficient.

O8: Are council files, email or systems backed up and can data be restored if needed?

Auditor Response: **Yes**

Auditor Comment: Files are backed up to usb but there is no other contingency in place. This is something that the Council should look into further to ensure that data can be retrieved should the worst happen.

O9: Is there a documented process for reporting and managing cyber incidents or personal data breaches?

Auditor Response: **No**

Auditor Comment: The Council must have a process in place to deal with a data breach and this should include a breach log to provide an overview of incidents as they occur. A simple spreadsheet will suffice.

AUDITOR SUMMARY AND RECOMMENDATIONS

The Council has very limited operations and activities. The processes and procedures in place are therefore adequate and proportionate to the Council's needs.

However, I am concerned that the budgeting process for 2026-27 has been inadequate since the Council will not have sufficient funds or reserves left at the end of the 2026-27 period without securing an alternative income source. It is recommended that the Council retain 3-12 months of the net expenditure for the year as a general reserve. By the end of the new financial year most of the reserves will be depleted. The Council must seriously consider its early decision to never raise a precept if it cannot secure funds from elsewhere.