Barnard Castle
Town Council

RESOURCES COMMITTEE
MONDAY 09 JUNE 2025 6:00 pm
DAWSON ROOM, WOODLEIGH[1]

AGENDA

1. **APPOINTMENT OF COMMITTEE VICE-CHAIR FOR 2025/26**
2. **ACCEPTANCE, OR OTHERWISE, OF APOILOGIES**
3. **DECLARATIONS OF INTEREST**
4. **RESOURCES COMMITTEE MEETING – 10 MARCH 2025 MINUTES**
5. **BUDGET MONITORING REPORTS**
6. **EFFECTIVENESS OF INTERNAL CONTROLS 2024/25**
7. **INTERNAL AUDIT 2024/25**
8. **ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN (AGAR) 2024/25**
9. **WOODLEIGH**

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[1] Under the Openness of Local Government Bodies Regulations 2014, recording of the meeting by any person is permitted. Those filming or otherwise recording the meeting should respect the rights of other members of the public attending and should not disrupt the meeting.

BARNARD CASTLE TOWN COUNCIL
RESOURCES COMMITTEE

09 JUNE 2025

DETAILED AGENDA

1. APPOINTMENT OF COMMITTEE VICE-CHAIR FOR MUNICIPAL YEAR 2025/26

Recommendation – That a Vice-Chair of the Resources Committee be elected for the municipal year 2025/26.

2. ACCEPTANCE, OR OTHERWISE, OF APOLOGIES

Recommendation – That the submitted apologies be approved.

3. DECLARATIONS OF INTEREST

In accordance with this Council's adopted Constitution (Members' Code of Conduct) (Minute 10/May/19 refers), Members will be asked whether they have any personal or prejudicial interests in any matter on the agenda and, if so, to declare those interests at this point of the meeting. Members are reminded that a declaration can be given later in the meeting if a need arises during discussion.

4. RESOURCES COMMITTEE MEETING – 10 MARCH 2025 – MINUTES (ENCLOSED)

Recommendation – That the minutes of the meeting on the 10 March 2025 be approved as true record.

5. BUDGET MONITORING REPORTS (ENCLOSED)

Reports on the income and expenditure activity of the Council from 01 February to 31 March 2025.

Recommendation – That the information be received and noted.

6. EFFECTIVENESS OF INTERNAL CONTROL 2024/25

Submitted - A report to assess the effectiveness of internal controls with regard to the past financial year 2024/25.

Recommendation – (a) Members are asked to consider the report and agree the council's system of internal audit is effective, and (b) That this review will form part of the council's Annual Governance Statement (external audit).

7. INTERNAL AUDIT 2024/25

Submitted – Internal auditors report 2024/25.

Recommendation – (a) That the internal audit carried out by Mr Gordon Fletcher, the council's internal auditor be approved; and
(b) That the internal Audit report will form part of the council's Annual Governance Statement (external audit).

8. ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN (AGAR) 2024/25

Submitted – (i) Conclusion of 2023/24 Internal Audit & Internal auditor report
(ii) Members to approve of Sections 1 and 2 of the Annual Governance Statement for 2024/25.

Recommendation – a) Section 1 of the 2024/25 AGAR is approved; and

(b) Section 2 of the 2024/25 AGAR is approved.

9. WOODLEIGH

The lease on Woodleigh building expires in September 2030. A rent review is due in 2025 (every five years). Cllr Ing wishes to discuss the issues of the rent, sub-letting and lease.

BARNARD CASTLE TOWN COUNCIL
RESOURCES COMMITTEE

10 MARCH 2025

PRESENT: Cllrs, Ing, Foote-Wood, Blake, McLean & Drew

Officers: Mr Clark (Town Clerk), Ms Atkinson (RFO)

Others: Teesdale Mercury

30. ACCEPTANCE, OR OTHERWISE OF APOLOGIES

Cllr Thompson submitted his apologies.

Resolved – That the submitted apologies be accepted.

31. DECLARATIONS OF INTEREST

In accordance with this Council's adopted Constitution (Members' Code of Conduct) (Minute 10/May/19 refers), Members will be asked whether they have any personal or prejudicial interests in any matter on the agenda and, if so, to declare those interests at this point of the meeting. Members are reminded that a declaration can be given later in the meeting if a need arises during discussion.

Resolved – None declared.

32. RESOURCES COMMITTEE MEETING – 06 JANUARY 2025 – MINUTES

Resolved – That the minutes of the meeting on the 06 January 2025 be approved as a true record.

33. BUDGET MONITORING REPORTS

Received – Reports on the income and expenditure activity of the Council from 1 December 2024 to 31 January 2025.

Resolved – That the information be received and noted.

34. WOODLEIGH

DCC Pest Control have laid traps to eliminate vermin recorded on Woodleigh grounds. Areas of vegetation has been cut back and a small amount of pointing around the base of the building will be carried out.

Following two visits the problem appears to have been almost eliminated.

Reference was made to a problem with vermin currently existing in the Newgate area of the town.

The Clerk advised members of the need to have the garage doors repaired. This work will be carried out by the council maintenance supervisor.

Resolved – That the information be received and noted.

35. GRANTS APPROVED BY PARTNERSHIP COMMITTEE

In line with the councils Financial Donations Policy 2024/25 the grant awards below were approved by the Partnership Committee at its meeting on the 3 February 2025 and require ratifying by the Resources Committee.

Teesdale Archery Club £300.00

Park Run Barnard Castle £800.00

Resolved – That the grant awards approved by the Partnership Committee are ratified.

36. BLUE PLAQUE – OLD MILL, DEMESNES
Received – Report.

Resolved – (a) that the information is received; (b) That the contribution of £200.00 from the resident is accepted in part payment; and (c) That the shortfall of £280.00 toward the cost of the plaque is funded from the Ground Maintenance EMR.

Appendix A

BARNARD CASTLE TOWN COUNCIL
RESOURCES COMMITTEE

BLUE PLAQUE – OLD MILL, DEMESNES

1. INTRODUCTION/BACKGROUND
1.1 Demesnes Mill (Old Corn Mill) is a Grade II listed building with English Heritage. The property was listed in 1973: Listing NGR NGR: NZ0530815887.

1.2 In May 2022 a resident sought the support of the council (Services) to have a blue plaque placed on the Old Mill. It was resolved to support the proposal, and an application was then made to Durham County Council to have the plaque placed on their online trail and to fund it. Subsequently the request was turned down.

1.3 The Services Committee then resolved to continue to progress things in support of its original decision.

1.4 The planning application was submitted in August 2024. It has now been approved.

1.5 With the next Service's Committee meeting not until April, and in the next financial year I am referring this to Resources for early completion.

1.6 The resident has stated in writing that they would contribute £200.00 towards the cost of the plaque which is currently quoted at £480.00.

Recommendation – (a) that the information is received; (b) That the contribution of £200.00 from the resident is accepted in part payment; and (c) That the shortfall of £280.00 toward the cost of the plaque is funded from the Ground Maintenance EMR.

Below are the Service Committee minute references and timeline.

Blue Plaque – Services – Minute references (extracts)

MEMORIAL PLAQUE REQUEST – DEMESNES CORN MILL

Received - A request from a resident to consider supporting the placing of a plaque on the 13th Century Demesnes Corn Mill.

Resolved – (a) That the council support the request to place a plaque on the 13th Century Demesnes Corn Mill; and (b) the council work with Ms Wilson to look at the process and funding required.

BLUE PLAQUE – DEMESNES CORN MILL
Minute 61/May/22 refers – It was resolved to support the request to place a plaque on the 13th Century Demesnes Corn Mill.

The Clerk informed the members that the appraisal panel at Durham County Council had now considered the application for a blue plaque under their scheme that the significance of the mill is already recognised in two ways that are far more appropriate for buildings as it is Grade II listed and is also mentioned in the County's Historic Environment Record. It was also noted that it is one of many mills along the river and significant buildings in the town.

It has therefore been agreed that it should not be awarded a blue plaque under the county council scheme.

If the council decide to look at installing its own blue plaque it will need to be aware it will require both advertising permission and listed building consent.

Resolved – (a) That the information be received and noted; and (b) That the council continues to explore the possibility of installing its own blue plaque.

BLUE PLAQUE – DEMESNES CORN MILL
Minutes 23/Oct/23 & 61/May/22 refers.

Following the decision by Durham County Council (DCC) not to include a blue plaque on the old Corn Mill, the committee resolved to continue to explore the installation of a plaque. The advice belatedly received from DCC is to make a listed building planning consent application. To progress this, I have referred to the local historian promoting this to supply a form of words to go on the plaque. Additionally, the planning application will cost the council £50, and a resolution to spend this sum is required.

A mock-up of the plaque using the wording supplied has been obtained to aid planning application. The estimated costs of the plaque, if permission received, is in the region of £440.

Resolved – (a) That Listed Building planning consent be submitted; and (b) That the cost of £50 for the Listed Building Planning application be approved from the 2024/25 Ground Maintenance budget.

BLUE PLAQUE – DEMESNES CORN MILL
Minutes 61/May/22, 23/Oct/23, & 16/July/24 refer.
The Listed Building consent to Durham County has been submitted. The application was at no cost.

Resolved – That the information is received and noted.

BARNARD CASTLE TOWN COUNCIL
RESOURCES COMMITTEE – 9 JUNE 2025
BUDGET MONITORING REPORTS

1. Introduction

1.1 This report outlines budget activity for the 2024/25 financial year for the period 01 February 2025 to 31 March 2025.

2. Data

2.1 Budget monitoring information is presented relating to payments and receipts in the period from 1 February 2025 to 31 March 2025 and Income & Expenditure relating to the same period. There are two appendices detailing:

- Payments from the current/reserve account – **Appendix A**;
- Receipts to the current/reserve account – **Appendix B**

2.2 Significant net expenditure items (over £500) were:

- Engie - £811.64 – Gas Supply Charge
- British Gas Lite - £873.03 – Gas Supply Charge
- Christmas Plus - £1,215.00 – Dismantle of Festive Display
- Engie - £676.55 – Gas Supply Charge

2.3 Significant receipts (over £500) were:

- Barclays - £2,112.50 - Rental

2.4 In line with point 2b of the Financial Regulations 2024/25 verification of bank reconciliations and bank statements for all the town council's accounts is carried out following each quarter. Reconciliation of the third quarter was carried out on 17thApril 2025 by Chair of the Resources Committee, Cllr L Drew.

3. Recommendation

3.1 That the information be received and noted.

Claire Atkinson
RFO

https://barnardcastletowncouncil.sharepoint.com/sites/companydocuments/documents/04 resources committee/03 reports/routine budget monitoring/2025-26/2025-06-09 routine budget monitoring.docx

APPENDIX A

Current/Reserve Account

Payments made between 01/02/2025 and 31/03/2025

						Nominal Ledger Analysis			
Date	Payee Name	Reference	£ Total Amnt	£ Creditors	£ VAT	A/c	Centre	£ Amount	Transaction Detail
03/02/2025	Barclays	AUTO	9.15			4006	101	9.15	Commission Charges
05/02/2025	Amazon	DR	25.99		4.33	4077	101	21.66	Box of copier pape
06/02/2025	Maitland Agency	DDR	36.00		6.00	4058	101	30.00	Hosting Support
07/02/2025	Simon Baldwin	202502001	33.00			4087	106	33.00	Window Cleaning
07/02/2025	Document Solutions	202502002	68.93		11.49	4075	101	57.44	Copier Charge
07/02/2025	Fenland Leisure Products Ltd	202502003	48.72		8.12	4074	231	40.60	Flexible Connecto
07/02/2025	Park Lane Playgrounds	202502004	408.00		68.00	4074	231	340.00	Fitting of seat on the swing
07/02/2025	Park Lane Playgrounds	202502005	216.00		36.00	4241	231	180.00	Inspections
07/02/2025	Blackwell Heating & Plumbing	202502006	80.00		13.33	4074	106	66.67	Valve Replaceme
13/02/2025	Dell Corporation Ltd	DR	579.00		96.50	4080	101	482.50	Laptop
17/02/2025	Comtek System Solutions	DDR	93.26		15.54	4058	101	77.72	Monthly Support
17/02/2025	Dell Corporation Ltd	DR	41.70		6.95	4080	101	34.75	AC Adapter
20/02/2025	Anglian Water Business	DDR	21.90			4200	201	21.90	Water Charge
20/02/2025	Anglian Water Business	DDR	21.90			4200	201	21.90	Water Charge
20/02/2025	Anglian Water Business	DDR	51.07			4200	201	51.07	Water Charge
20/02/2025	Anglian Water Business	DDR	33.57			4200	201	33.57	Water Charge
20/02/2025	Anglian Water Business	DDR	452.87			4200	106	452.87	Water Charge
20/02/2025	Anglian Water Business	DDR	185.54		30.91	4200	201	154.63	Water Charge
20/02/2025	Dell Corporation Ltd	REFUND	-30.00		-5.00	4080	101	-25.00	Part Refund of Laptop
21/02/2025	EDF Energy	DDR	449.72		74.95	4073	106	374.77	Electricity Charge
21/02/2025	Engie	DDR	973.97		162.33	4073	106	811.64	Gas Charge
25/02/2025	Amazon	DR	34.15		5.69	4080	101	28.46	Keyboard, Mouse, HDMI Cables
28/02/2025	Focus Group	DDR	82.96		13.83	4076	106	69.13	Telephone & Broadband
28/02/2025	Durham County Council	ONLINE	2,024.06			4008	102	1,514.03	Month - 11
						4019	102	510.03	Month - 11
28/02/2025	HMRC	ONLINE	2,089.40			4019	102	389.34	Month - 11
						4009	102	791.66	Month - 11
						4000	102	908.40	Month - 11
28/02/2025	Salaries	ONLINE	6,454.22			4000	102	6,254.42	Salaries
						4000	291	199.80	Salaries
06/03/2025	Maitland Agency	DDR	36.00		6.00	4058	101	30.00	Monthly Hosting
07/03/2025	Barclays	AUTO	12.68			4006	101	12.68	Charges 13/01-12/02
08/03/2025	British Gas Lite	DDR	1,047.63		174.60	4073	106	873.03	Gas Charge
11/03/2025	John Cullerton & Sons Ltd	202503001	295.45		49.24	4074	221	246.21	Replaced Cover
11/03/2025	Npower	202503002	79.95		3.81	4073	106	76.14	Electricity Charge - Jan 2025
11/03/2025	Christmas Plus	202503003	1,458.00		243.00	4230	221	1,215.00	Dismantle of Festive Display
	Subtotal Carried Forward:		17,414.79	0.00	1,025.62			16,389.17	

Current/Reserve Account

Payments made between 01/02/2025 and 31/03/2025

Date	Payee Name	Reference	£ Total Amnt	£ Creditors	£ VAT	A/c	Centre	£ Amount	Transaction Detail
						Nominal Ledger Analysis			
11/03/2025	Dial SLV	202503004	192.00		32.00	4231	221	160.00	Programming & Troubleshooting
11/03/2025	Document Solutions	202503005	82.27		13.71	4075	101	68.56	Copier Charge - Reading Feb 25
11/03/2025	Amazon	DR	32.90		5.48	4102	106	27.42	Toilet Rolls
17/03/2025	Comtek System Solutions	DR	363.26		60.54	4058	101	77.72	Monthly Billing & Support
						4080	101	225.00	Replacement IT & Software
20/03/2025	Npower	202503006	72.51		3.45	4073	106	69.06	Electricity - February 2025
20/03/2025	L & S Diamond Cleaners	202503007	390.00			4087	106	390.00	Cleaning - To 31/03/25
20/03/2025	Signs Of The Times Ltd	202503008	586.20		97.70	4103	402	200.00	Plaque
						4103	402	288.50	Plaque
						345		-288.50	Plaque
						6000	402	288.50	Plaque
20/03/2025	RBS Software Solutions	202503009	336.00		56.00	4031	101	280.00	Training
20/03/2025	Amazon	DR	9.99		1.67	4077	291	8.32	Receipt Books
21/03/2025	EDF Energy	DDR	535.12		89.19	4073	106	445.93	Electricity Charge 01-28/02/25
21/03/2025	Engie	DR	811.86		135.31	4073	106	676.55	Gas Consumption February 25
24/03/2025	Amazon	DR	319.99		53.33	4103	211	266.66	Pressure Washer
25/03/2025	Cash	106422	86.52			4102	106	4.98	Bin Bags
						4102	106	11.47	Rock Salt
						4102	211	6.70	Petrol
						4102	106	4.99	Bin Liners
						4080	101	8.99	Wireless Mouse
						4080	101	15.64	Laptop Case
						4080	101	19.99	Wireless Keyboard
						4102	106	1.75	De Scaler
						4102	211	7.00	Resin
						4102	211	5.01	Petrol
25/03/2025	Amazon	DR	8.29		1.38	4077	101	6.91	A4 Plastic Wallets
26/03/2025	David Knox Signs & Designs	202503010	240.00		40.00	4074	106	200.00	Updating Honours Board
26/03/2025	S & A Merchants	202503011	29.89		4.98	4074	211	24.91	Posts - Treated
28/03/2025	Durham County Council	ONLINE	2,024.06			4008	102	1,514.03	Month - 12
						4019	102	510.03	Month - 12
28/03/2025	HMRC	ONLINE	2,089.40			4019	102	389.34	Month - 12
						4009	102	791.66	Month - 12
						4000	102	908.40	Month - 12
	Subtotal Carried Forward:		25,625.05	0.00	1,620.36			24,004.69	

Cashbook 1

Current/Reserve Account

Payments made between 01/02/2025 and 31/03/2025

Date	Payee Name	Reference	£ Total Amnt	£ Creditors	£ VAT	A/c	Centre	£ Amount	Transaction Deta
						Nominal Ledger Analysis			
28/03/2025	Salaries	SALARIES	6,454.22			4000	102	6,254.42	Salaries
						4000	291	199.80	Salaries
31/03/2025	Focus Group	DR	88.69		14.78	4076	106	73.91	Telephone & Broadband
	Total Payments:		32,167.96	0.00	1,635.14			30,532.82	

APPENDIX B

Current/Reserve Account

Receipts received between 01/02/2025 and 31/03/2025

Receipt Ref	Name of Payer	£ Amnt Received	£ Debtors	£ VAT	A/c	Centre	£ Amount	Transaction Detail
					Nominal Ledger Analysis			
	Banked: **03/02/2025**	**20.00**						
AUTO	Dawson Room Hire	20.00			1000	106	20.00	UTASS - Room Hire
	Banked: **05/02/2025**	**168.00**						
102085	Market Rents	168.00			1000	291	168.00	Rents - 05/02
	Banked: **12/02/2025**	**114.00**						
102086	Market Rents	114.00			1000	291	114.00	Rents 12/02
	Banked: **19/02/2025**	**156.00**						
102088	Market Rents	156.00			1000	291	156.00	Rents 19/02
	Banked: **20/02/2025**	**2,112.50**						
AUTO	Barclays	2,112.50			1001	106	2,112.50	Rental
	Banked: **20/02/2025**	**150.00**						
102087	Northern Power Grid	150.00			1001	201	150.00	Sub Station Rental
	Banked: **26/02/2025**	**132.00**						
102089	Market Rents	132.00			1000	291	132.00	Rents - 26/02
	Banked: **05/03/2025**	**114.00**						
102090	Market Rents	114.00			1000	291	114.00	Rents 05/03
	Banked: **06/03/2025**	**12.00**						
102091	Market Rents	12.00			1000	291	12.00	Rent 05/03
	Banked: **06/03/2025**	**1.01**						
AUTO	Barclays	1.01			1050	101	1.01	Fees Refund
	Banked: **10/03/2025**	**188.00**						
AUTO	Durham County Council	188.00			1006	281	188.00	Dog Ownership Campaign
	Banked: **12/03/2025**	**102.00**						
102092	Market Rents	102.00			1000	291	102.00	Rents 12/03
	Banked: **13/03/2025**	**110.00**						
AUTO	Grenke Leasing	110.00			1050	101	110.00	Reimbursement
	Banked: **14/03/2025**	**200.00**						
102093		200.00			1007	402	200.00	Blue Plaque Donation
	Banked: **17/03/2025**	**100.00**						
AUTO	Barnard Castle Football Club	100.00			1001	237	100.00	Rental 24/25
	Banked: **19/03/2025**	**162.00**						
102094	Market Rents	162.00			1000	291	162.00	Rents - 19/03
	Banked: **19/03/2025**	**100.00**						
AUTO	Durham County Carers	100.00			1000	106	100.00	Dawson Room Hire to
	Banked: **24/03/2025**	**189.34**						
AUTO	HMRC	189.34			1050	211	189.34	HMRC - Refund
	Subtotal Carried Forward:	4,130.85	0.00	0.00			4,130.85	

Current/Reserve Account

Receipts received between 01/02/2025 and 31/03/2025

					Nominal Ledger Analysis			
Receipt Ref	Name of Payer	£ Amnt Received	£ Debtors	£ VAT	A/c	Centre	£ Amount	Transaction Detail
	Banked: **26/03/2025**	**186.00**						
102095	Market Rents	186.00			1000	291	186.00	Rents 26/03
	Total Receipts:	4,316.85	0.00	0.00			4,316.85	

BARNARD CASTLE TOWN COUNCIL
RESOURCES COMMITTEE – 09 JUNE 2025

EFFECTIVENESS OF INTERNAL CONTROL 2024/25

1. Introduction

1.1 This report is submitted for Members to assess the effectiveness of internal controls with regard to the immediately past financial year, 2024/25.

2. Background to the Report

2.1 This review forms part of the internal controls of the Council and should be considered as background to the Annual Governance Statement, which will be considered at this meeting.

2.2 Regulation 6 of the Accounts and Audit Regulations 2015 requires the council to conduct each financial year a review of the effectiveness of the system of internal control. The review needs to inform the council's preparation of its annual governance statement.

2.3 The review must be balanced to each council's needs and usage and should be designed to provide sufficient assurance for the council that operational standards are being met and that the work of internal audit is effective.

3. Data

3.1 The mechanism for assessing the effectiveness of internal control can be split into three parts and all three should be undertaken so that the body can demonstrate that an effective system of internal control is in place. Internal audit provides an independent assessment that the correct controls are in place and are being followed.

3.2 This report outlines how the Town Council dealt with each item during the 2024/25 financial year:-

- **Identifying Potential Risks**
  (***Risk Assessment***): The council's Risk Register was reviewed by the Resources Committee on the 3 June 2024 and was subsequently approved at full Council on 17 June 2024.
- **Ensuring Controls or Procedures Are in Place to Mitigate the Risks Identified**
  (***Control Systems***): In line with the Audit Plan for 2024/25, half year audit checks of internal controls were carried out by the Internal Auditor in November 2024; reports on these system control checks were submitted to Full Council on 18 November 2024.
- **Implementing a System for Testing the Adequacy of Internal Controls**
  (***Internal Audit half year***): The review relating to 2024/25 was submitted to Full Council and the adequacy of these controls was resolved on 18 November 2024.

4. Analysis

4.1 There are two key principles which all local councils must ensure are met by their internal audit function. These principles are **independence** and **competence**:

Independence – this means that whoever carries out the internal audit role must not have any involvement in the financial decision-making, management or control of the council.

Competence – essential competencies to be sought in any internal auditor are:

(i) an understanding of basic accounting processes.

(ii) an understanding of the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibilities of officers.

(iii) an awareness of risk management issues; and

(iv) an understanding of accounting requirements of the legal framework and powers of local councils.

4.2 In order for the internal auditor to ensure that a council's internal control records are effective, a rolling Internal Audit Annual Plan is proposed as the most effective way to carry out a review of the Council's internal controls and carried out in accordance with the current Chartered Institute of Public Finance and Accounting (CIPFA) A Code of Practice.

5. Conclusion

5.1 An extract from the latest version of *Governance and Accountability for Smaller Authorities in England* which may be used to guide the completion of the 2024/25 audit is attached as an **Appendix** to this report to assist Members in considering the effectiveness of the Council's internal controls.

In order to fully comply with the regulations there is a need to formalise this review process by bringing together the evidence as shown in the report. This will then provide Members of the Council with assurance that the governance arrangements in this area of work are effective and robust.

Recommendation – (a) Members are asked to consider this report and agree that the Council's system of internal audit is effective; and
(b) That this review will form part of the Council's Annual Governance Statement.

Martin Clark
Clerk

Governance and Accountability for Smaller Authorities in England (March 2021) – Extract

Assertion 2 — Internal control

We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

1.14 Standing Orders and Financial Regulations. The authority needs to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the manner in which tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to.

1.15 Safe and Efficient Arrangements to Safeguard Public Money. Practical and resilient arrangements need to exist covering how the authority orders goods and services, incurs liabilities, manages debtors, makes payments and handles receipts. Authorities need to have in place safe and efficient arrangements to safeguard public money. Where doubt exists over what constitutes money, the presumption is that that it falls within the scope of this guidance.

1.15.1 Authorities need to review regularly the effectiveness of their arrangements to protect money. Every authority needs to arrange for the proper administration of its financial affairs and ensure that one of its officers (the RFO) has formal responsibility for those affairs (see paragraph 1.9 above).

1.15.2 Authorities need to ensure controls over money are embedded in Standing Orders and Financial Regulations. Section 150(5) of the Local Government Act 1972 required cheques or orders for payment to be signed by two elected members. Whilst this requirement has now been repealed, the 'two-member signatures' control needs to remain in place until such time as the authority has put in place safe and efficient arrangements in accordance with paragraphs 1.15.3 to 1.15.6 of this guide.

1.15.3 Authorities need to approve the setting up of, and any changes to, accounts with banks or other financial institutions. Authorities also need to approve any decisions to enter into 'pooling' or 'sweep' arrangements whereby the bank periodically aggregates the authority's various balances via automatic transfers.

1.15.4 If held, corporate credit card accounts need to have defined limits and be cleared monthly by direct debit from the main bank account. Credit card balances are not acceptable reconciling items for bank reconciliation purposes.

1.15.5 The authority needs to approve every bank mandate, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.

1.15.6 Risk assessment and internal controls need to focus on the safety of the authority's assets, particularly money. Those with direct responsibility for money need to undertake appropriate training from time to time.

1.16 Employment — The remuneration payable to all employees needs to be approved in advance by the authority. In addition to having robust payroll arrangements which cover the accuracy and legitimacy of payments of salaries and wages, and associated liabilities, the authority needs to ensure that it has complied with its duties under employment legislation and has met its pension obligations.

1.17 VAT — The authority needs to have robust arrangements in place for handling its responsibilities with regard to VAT.

1.18 Fixed Assets and Equipment — The authority's assets need to be secured, properly maintained and efficiently managed. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt.

1.19 Loans and long-term liabilities — Authorities need to ensure that any loan or similar commitment is only entered into after the authority is satisfied that it can be afforded and that relevant approvals have been obtained. Proper arrangements need to be in place to ensure that funds are available to make repayments of capital and any associated interest and other liabilities.

1.20 Review of effectiveness — Regulation 6 of the Accounts and Audit Regulations 2015 requires the authority to conduct each financial year a review of the effectiveness of the system of internal control. The review needs to inform the authority's preparation of its annual governance statement.

BARNARD CASTLE TOWN COUNCIL
INTERNAL AUDIT REPORT
2024/2025 Annual Return

1. Background

1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Ministry of Housing, Communities and Local Government (MHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities

1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,0000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made of 3 sections along with an annual internal audit report. which is to be completed by the Council's independent internal auditor, who is to give an opinion of the Council's internal controls

1.3. CDALC have provided Councils with a checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.

2. Objectives of the Audit

2.1. To examine the system of internal controls to ensure that the Town Council may obtain an adequate level of assurance for its activities.

3. Scope of the Work and the areas of Audit Work examined.

3.1 The Scope of Work covers the key control tests identified in the A.G.A.R., and all these were examined.

3.2. To properly complete the audit the following areas of activity have been examined and tested:

- Payroll
- Creditors
- Risk Management/Governance Arrangements
- Income collection and Banking arrangements
- Petty Cash
- Assets
- Debtors
- Budgetary Control (including year end procedures)
- Exercise of Public Rights

3.3. The audit findings of this report have been discussed with the Finance Officer (R.F.O). and any audit recommendations have been agreed with her.

4. AUDIT FINDINGS

4.1. Payroll

4.1.1 During 2024/25 the Town Council has 4 permanent employees along with seasonal staff employed on the mini golf, All are paid through the HMRC Payroll system, with financial information input into the Council's finance system (OMEGA).

4.1.2. Payroll information between April 2024 to March 2025 which involved detailed testing on all payroll records, and these were found to be properly paid and processed, properly authorized through the electronic payment schedule and recorded into the Council's finance system with no concerns raised.

4.2. Creditors (Accounts Payable)

4.2.1. A detailed Creditors audit was carried out in November 2024 (report dated 14th November 2024 where substantive detail testing was carried out on all payments between April to September 2024. No issues were found, and Full Assurance was given on the systems of internal controls.

4.2.2. This audit examined the systems in place with compliance and sample testing carried out on the records between October 2024 and March 2025. No concerns were found.

4.2.3. The Council has moved towards an electronic payments system and the Resources Committee 13th June 2016 report outlined the necessary changes for the effective operation of the Councils electronic banking procedures which ensures separation of duties where members approve payments and Officers effect the electronic payments. This system was checked and was found to be operating efficiently.

Some Direct Debit payments are made for utilities, with a few payments being made by the debit card.

4.2.4 Arrangements are in place which involve the Finance Officer working from home where she has access to the Finance system and pays the invoices and completes a payment schedule which is e.mailed to two Members who are authorised signatories. They approve the invoices by e.mail back to her. These are recorded in the Council minutes.

4.2.5. All expenditure is reported to the Resources Committee through quarterly budget monitoring reports which include the cash book 1 reports, where all Members are given the opportunity to raise questions regarding the payments made.

4.2.6. This audit found all payments to be properly processed, authorized (by e,mail), recorded on the electronic payment schedules, and accounted for, with no queries.

4.2.7. The Council can use the General Power of Competence for making certain agreed payments and are recorded as such.

4.2.8. The Periodical payments register was checked in detail during the November audit.

4.2.9 The Council set up a procedure (included in Financial Regulations) to use a Debit card for internet purchases by the Finance Officer, where the debit card is signed out by the Town Clerk. This was examined in detail during the November audit where no problems were found.

4.2.10. **Petty Cash**
Petty cash arrangements are in place and the reimbursement sheets with receipts were examined in November 2024 and all found to be accounted for.

4.3. Governance Arrangements including Risk Management

4.3.1. A review of Standing orders, Financial Regulations and policies and procedures are reviewed during the year by the Resources Committee, then was approved at the Councils AGM, 13th May 2024.

4.3.2. At the AGM the Council's Internal Auditor for the financial year is appointed. The risks to the Town Council are improved with the appointment of an independent Internal Auditor who gives assurance on the Council's activities throughout the year.

4.3.3. Every year an Effectiveness of Internal Control report is produced which includes the risk register and forms part of the Council's Annual Governance Statement. Along with an annual Internal audit report for the year and with a planned interim audit for 2025/26 which are to be agreed.

4.3.4. Bank reconciliations are confirmed and signed and dated by a Member of the Resources Committee.

4.3.5. Exercise of Public Rights announcement was announced on the 15th June 2024 with the period of inspection carried out between 19th June to 30th July 2024 and placed on the Council's website.

4.4. Income collection and Banking arrangements

4.4.1. A detailed audit on income collection and banking was carried out in November 2024, (report dated 14th November 2024) with all areas of income examined, where the "cash book 1" receipts report for April to September 2024 (Months 1 to 6) was examined to ensure that all income collected had been banked,

4.4.2. This current audit carried out compliance and sample testing on the income records from the cash book 1 receipts report from October 2024 to March 2025.

4.4.3. Fees and charges are reviewed by the Resources Committee as part of the budget setting process and agreed by Council.

4.4.4. I reconciled the bank statements at the end of the year to the Income and Expenditure records (Trial Balance), which was found to be correct.

4.4.5. VAT had been properly recorded and claimed during the year and received in the Council's Bank account.

4.4.6. A review of the Mini Golf and the Wednesday Market for the year, was carried out by the Services Committee on 17th February 2025

4.5. Accounting Records

4.5.1. All income and expenditure are properly recorded in the finance system (RIALTUS) with good end of year procedures carried out so as to complete the Council's annual return.

4.6. Fixed Assets

4.6.1. A fixed asset schedule is completed in March which shows any additions and disposals during the year. This is agreed by the Full Council when the Statement of Accounts is approved.

4.7. Debtors

4.7.1. There are no accounts raised for debts, as Debtors either pay by cash, cheque or direct to bank.

4.8. Budgetary Control

4.8.1. The Town Council's Budgets are overseen by the Council's Resources Committee prior to approval by Full Council. The budget process takes about 3 to 4 months with a timetable outlining the process to be followed and commences each year in September (Resources meeting 2nd September 2024), with discussions and reports by various Committee during October, November and December with the final report in January proposed by the Resources Committee and approved by Full Council.

The precept and 2025/2026 estimates final consideration were agreed by Council on 20th January 2025 (following final recommendation from the Resources Committee on 6th January 2025). The annual budget was prepared to support the precept.

4.8.2. There are regular Resource Committee meetings which consider various aspects of Budgetary Control:

- payments made and receipts received during the month

- income and expenditure against budget report

4.8.3. it was ascertained that a structured approach to the budget setting process had been followed.

4.8.4. All receipts and payments are reviewed by the Resources Committee through budget monitoring reports.

5. CONCLUSIONS/RECOMMENDATIONS

5.1. The Internal Controls within the Town Council are satisfactory for the size of the Council.

5.2. To provide adequate assurance of the main systems of the Council a report on the planned audit work to be carried out during this year is to be determined based on the knowledge obtained by this auditor and agreed with the Town Clerk.

G. Fletcher

Gordon Fletcher (C.M.I.I.A.)
Internal Auditor,
Date: 26th May 2025