

**Bollington Town  
Council  
Finance & Grants  
Meeting  
Enclosures  
14<sup>th</sup> March 2022**

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## Minutes of the Meeting of the Finance & Grants Committee

Council Chamber, Bollington Town Hall  
At 10.00am on Monday 8<sup>th</sup> November 2021

### Those Present:

**Members with voting rights:** Town Mayor Cllr Johanna Maitland (JM)  
Cllrs: Mark Fern (MF), John Stewart (JS), Amanda Stott (AS) and Angela Williams (AW).

**Chair:** Cllr Amanda Stott

**Officer:** Julie Mason Town Clerk

**Declaration of Interest** – Cllr JM – Bridgend Centre, Cllr AS – Senior Citizens Club and Cllr AW – Senior Citizens Club.

### Public forum time

Councillor K Edwards asked the Committee when considering next year's budget, they considered the legal fees for Bollington Cross Youth Project and that there was a strong possibility that Cheshire East would transfer land for allotments and would the Committee still consider attributing £10,000 to this project.

**FG 16/21 To receive and approve apologies for absence:** Cllr J Weston due to holidays.

### **FG 17/21 To receive and confirm the Minutes of the meeting held 13<sup>th</sup> September.**

To receive and confirm the Minutes of the meeting held 13/09/21.

The Committee **RESOLVED** to approve the minutes as a true record.

### **FG18/19 To receive updates from the minutes**

There were none.

### **FG19/21 To review and confirm the Grants Policy**

**Resolved** the Committee accepted the policy subject to being approved by Full Council.

### **FG 20/21 To revisit three grant applications from the previous meeting which submitted insufficient information.**

Canalside Radio application of £1,500 of £3,500 project.

They had submitted more accounts for 2019 and companies house for 2020 but no bank account statements.

**Resolved** the grant was deferred again until more information was supplied.

Transition Bollington

The Clerk had requested more details, but no more information had been supplied.

#### Boundary Marker

It was noted alternative funding sources had been utilised.

#### **FG 21/21 To review the spend to date in 2021/22**

The budget for 2021/22 was presented to the committee and the spend to date. The cost headings were noted including where there were overspends predicted by the year end. It was agreed the Personnel budget heading was very difficult to make predictions on the spend to the year end with the resignation and the long-term sickness and managing cover in the Town Hall. The points to noted were as follows.

- i) Some of the training budget to Councillors should be attributed to the EDI budget.
- ii) To check the fee for Ellis Whitham for the year 2022/23
- iii) To check if the ratable value of the Town Hall & garage could be reviewed.
- iv) The Civic Dinner should be entered as Nil for 2022/23
- v) To check if the Mayoral allowance should be received as a salary payment.

**Resolved** the Clerk and the Chair would ensure a more accurate predicted closing balance was presented to Full Council in December.

#### **FG 22/21 To review the budget prediction for 2022/23**

The draft budget was presented to the committee which resulted in discussions under each heading.

**Resolved** the Committees were requesting figures with little evidence of gaining estimated costs beforehand and the Clerk was asked to request more supporting information.

**Resolved** the Councillor training budget was reduced to £500.

**Resolved** Brookbank House was reduced to £1,000 for repairs and maintenance from £2,000.

**Resolved** the 'Pop up Garden' budget was removed.

The revenue from the Civic Hall was debated and it was agreed that the figures from 2019/20 would be reviewed as a comparison as the figures being used was influenced by Covid and maybe not as high as in the budget.

The Clerk was asked to circulate the Cheshire East band D figures as a comparison.

It was agreed the budget was a good starting point and the Clerk and the Chair of Finance would complete some more work before it was presented to Full Council.

**FG23/21** Date of Next Meeting: 14/03/21 at 10.00am.

Meeting closed at 11.35 am

Organisation	Purpose	Requested	Awarded	Comments	Evidence Received
<b>Bollington Festival</b>	Operations costs of putting a festival on the ground i.e Tent hire, technical equipment, safety equipment and maintenance.	£ 1,000.00	£ 1,000.00		
<b>Bollington Walkers are Welcome</b>	Annual subscription to the national Walkers are Welcome network. Raise the profile of Walkers are Welcome by providing stickers, posters etc.	£ 114.00	£ 114.00		
<b>Bollington Photographic Group</b>	Website upgrade.	£ 100.00	£ 100.00		
<b>The Mayor of Bollington's Senior Citizens' Committee</b>	A contribution towards the annual party.	£ 200.00	£ 200.00		
<b>Bollington Civic Society</b>	Hire of Bollington Community Centre for 8 x public meetings.	£ 100.00	£ 100.00		
<b>Bollington Well Dressers</b>	Public Liability Insurance premium and Purchase of Clay	£ 250.00	£ 250.00	£250 towards project plus £300 for road closure	
<b>2nd Bollington Rainbow Guides</b>	Art and crafts resources.	£ 100.00	£ 100.00		
<b>Bollington District Guides</b>	Sanitising/cleaning materials and PPE to ensure face to face meetings can resume.	£ 100.00	£ 100.00		
<b>Bollington Community Association (The Bridgend Centre)</b>	Relaunch 'Talk and Games' project at Bridgend and run it for the year period October 2021 – September 2022.	£ 1,349.28	£ 1,349.28		
<b>Bollington Town Football Club</b>	Two portable dug outs that can be rolled on and off the pitch when needed.	£ 3,000.00	£ 1,000.00		
<b>Bollington Brass Band</b>	Replacement of aging instruments which are now in a very poor state of repair.	£ 2,000.00	£ 2,000.00		
<b>Kerridge War Memorial Committee</b>	Grant towards the compulsory annual public liability insurance to open up the memorial gardens to the public .	£ 250.00	£ 250.00		

<b>1st Bollington Cross</b>	Replenishing resources to follow COVID guidelines, we have to provide separate individual sets for each girl.	£ 150.00	£ 150.00		
<b>St. Oswald's</b>	To assist in the maintenance and upkeep of the graveyard and columbarium.	£ 2,000.00	£ 2,000.00		
<b>Bollington Initiative Trust</b>	Boundary Marker	£ -	£ -	Grant to be reviewed at next committee meeting.	
	<b>Total</b>	<b>£ 10,713.28</b>	<b>£ 8,713.28</b>		

**BTC Grant Applications 2022**

<b>Organisation</b>	<b>Purpose</b>	<b>Accounts Received</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Comments</b>
01 - Canalside Radio	To purchase DAB compatible transmitters	Yes	£1,500		
20 – Bollington Health & Leisure	To purchase sensory items for new soft play area	Yes	£1,000		
21 – Bollington Table Tennis Club	To purchase new equipment and towards venue hire costs		£1,000		
22 – Bollington (St John’s) Brownies	To provide resources for new leader and purchase new badge books		£100		
23 – Bollington Horticultural Society	Price money for children upto the age of 14 entering a show	Yes	£100		
24 – Kerridge Ridge & Ingersley Vale Volunteers (KRIV)	White Nancy annual maintenance and running costs contribution	Yes	£1,000 (over 3 years)		
26 – Bollington Community Centre	Contribution towards legal fees to secure the lease	Yes	£1,000		
27 – The Reanella Trust	Contribution towards a one-year on-line programme	Yes	£10,000		

### BTC Grant Applications

<b>Organisation</b>	<b>Purpose</b>	<b>Accounts Received</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Comments</b>
28 – Bollington Live!	Contribution towards publication and printing costs	Yes	£1,000		
29 – Macclesfield & District Lions	Bollington Bikefest	Yes	£700		





# Bollington Town Council

Internal Audit 2021/22

Interim Report

JDH BUSINESS SERVICES LTD

*Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales*

## **INTERNAL AUDIT REPORT BOLLINGTON TOWN COUNCIL**

The internal audit of Bollington Town Council is carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion in the AGAR Annual Return for local councils.

### **Conclusion**

On the basis of the internal audit work carried out, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf. As part of next year's internal audit work we will follow up all recommendations included in the action plan.

**J D H Business Services Ltd**

**INTERNAL AUDIT REPORT  
BOLLINGTON TOWN COUNCIL**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
1	<p>For the period April to November 2020 no budgetary control information with explanation of material variances was provided to council. This is a breach of the following section of the Financial Regulations:</p> <p><i>4.7. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £100 or 15% of the budget.</i></p>	<p><i>The council must comply with the budgetary control requirements of the Financial Regulations.</i></p>	<p>The RFO has now left, and the Clerk has been appointed the RFO. The Budget has been reconciled to Full Council on 7<sup>th</sup> December 2021 and 1<sup>st</sup> March 2022. It has been noted this was an oversight due to staffing issues.</p>
2	<p>No evidence was provided for the period from April to August 2020 that two councillors had authorised each online payment in advance as required by the Financial Regulations as follows:</p> <p><i>'If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payments'</i></p>	<p><i>The council must comply with the payment authorisation requirements of the Financial Regulations.</i></p>	<p>Since September 2021 the invoices for payment have been printed off and taken to Full Council for both the Chair of Finance and the Chair to scrutinize and sign.</p>

**INTERNAL AUDIT REPORT  
BOLLINGTON TOWN COUNCIL**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
3	There has been no review by council of supplier online payments to verify that the correct supplier account was paid as part of fraud prevention internal controls.	<i>Each quarter the Chair of the Finance Committee should select a random sample of payments from the actioned payment schedules and agree the online payment bank details to the bank account details of the supplier on the purchase invoice.</i>	This will be actioned in the last quarter.
4	No detailed checks of the monthly payroll to source documentation was carried out by a nominated councillor between April and November 2020.	<i>Periodic checks of payroll to source documentation should be carried out by a nominated councillor and evidenced by a dated signature.</i>	This has been actioned by the Chair in the third quarter and fourth quarter
5	The council is currently paying an individual gross on a temporarily basis to carry out invoicing for approximately 4 hours per week.	<i>Should this temporary arrangement continue the council should apply the HMRC online self-employment toolkit to determine whether the individual should be taxed as an employee or classified as self-employed.</i>	This action has now ceased, and the temporary Accounts Administration Assistant is on the Payroll.
6	Payroll processing has been outsourced to a payroll agency but there is no internal control in place to prevent officers notifying the agency of their own salary changes.	<i>An internal control should be established whereby the Chair notifies the payroll agency of all annual salary changes, and the agency is informed that only these notifications should be accepted as valid.</i>	Actioned
7	It is not clear where some equipment items in the fixed asset register are held eg councillor and clerk laptops.	<i>The existence of fixed asset equipment needs to be reviewed in the next update of the fixed asset register.</i>	The Fixed Asset Register has now been updated

**INTERNAL AUDIT REPORT  
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	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
<b>2020/21 year end internal audit</b>			
1	<p>The council Financial Regulations require the following with respect to medium term financial planning :</p> <p><i>3.1. Each committee shall review its three year forecast of revenue and capital receipts and payments.</i></p> <p><i>3.3. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments</i></p> <p>However, there is currently no three year rolling revenue and capital financial plan in place.</p>	<p><i>The council should either establish a rolling three year financial plan for revenue and capital as required by the current Financial Regulations (FRs) or update FRs to reflect the current annual budget procedure.</i></p>	<p>To be followed up at 2021/22 year end internal audit</p> <p>The FR have ben amended</p>
2	<p>The risk assessment does not address the risks of supplier (procurement) fraud.</p>	<p><i>The risk assessment should be updated to include supplier (procurement) fraud including the adequacy of supplier onboarding controls.</i></p>	<p>To be followed up at 2021/22-year end internal audit</p>
<b>2020/21 interim internal audit</b>			

**INTERNAL AUDIT REPORT  
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	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
1	Additional works were required to the original contract for improvement of the football pitches. Although this is authorised in the minutes of the council the Financial Regulation relied on to instruct the incumbent contractor to carry out additional works of £12300, without applying the standard council procurement requirements, was not recorded in the council minutes	<i>Where the council does not follow standard procurement requirements in the Financial Regulations for contracts in excess of £2500, the regulations relied upon should be stated in the council minutes.</i>	To be followed up at 2021/22 year end internal audit
<b>2019/20 year end internal audit report</b>			
1	The income and expenditure accounts and AGAR accounts presented for internal audit had not included the £56000 loan received from PWLB in income, or the £56000 loan subsequently provided to the Bridgend Centre Charity in expenditure. The year end accounts spreadsheet had incorrectly included the £56000 loan receivable and repayable in the balance sheet.	<i>All loans received from and provided to third parties should be included in the income and expenditure accounts of a local council.</i>  <i>The income and expenditure accounts and balance sheet were amended by the RFO to reflect the loan transactions.</i>	<b>Implemented</b>
2	The Fixed Assets register and Fixed Assets value disclosed in the AGAR were incorrect as the long term loan to the Bridgend Centre Charity had not been included at the initial amount less	<i>All long term loans provided to third parties should be recorded in the fixed asset register, net of repayments.</i>	<b>Implemented</b>

**INTERNAL AUDIT REPORT  
BOLLINGTON TOWN COUNCIL**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
	capital repayments up to the end of the financial year.	<i>The fixed asset register was amended to include the long term loan receivable balance as at March 31<sup>st</sup> 2020.</i>	
<b>2019/20 interim internal audit</b>			
1	The RFO noted that the Council will be moving to paying the majority of supplier invoices through online payments. This will also be the case for payroll payments.	<p><i>The most effective internal controls over online banking, where members are not directly logging in to the bank account to authorise payments, and that would provide equivalence with the current authorisation of cheque payments are as follows:</i></p> <ul style="list-style-type: none"> <li>- <i>Appropriate staff would be set up as System Administrators for online banking. Therefore, they alone will be able to make online payments.</i></li> <li>- <i>Each batch of proposed payments should be analysed on a payment schedule, which will be signed and dated by two authorised member signatories after comparison with invoice details, or any two members could instead email authorisation of the payment schedule.</i></li> <li>- <i>Each quarter the Chair of Finance and Grants Committee will select a random sample of payments from the actioned payment schedules and agree the online payment bank</i></li> </ul>	<b>See 2021/22 interim internal audit issues</b>

**INTERNAL AUDIT REPORT  
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	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
		<p><i>details to the bank account details of the supplier on the invoice. This would also be carried out for payroll BACS payments with a sample check to source documentation such as bank accounts, timesheets, scale point authorisations etc</i></p> <p><i>- All payments made will continue to be presented to council and minuted as approved</i></p> <p><i>Internal controls will need to be updated to incorporate supplier fraud prevention controls. Procedures will need to be established to ensure members check bank details for the first payment to a supplier to a signed confirmation letter from the supplier. The same procedure should apply where a supplier has purported to have changed bank accounts (particularly if the request is via email). In addition to a confirmation letter the supplier could also be telephoned to ensure their bank details are correct.</i></p>	
2	A £6071.69 retention of 5% of contract value was retained for the primary BCYP contract but this had not been recorded in the Balance Sheet as a deferred liability.	<i>Contract retentions should be recorded in the Balance Sheet as a deferred liability to be cancelled when the actual liability has been paid</i>	<b>Implemented</b>



**INTERNAL AUDIT REPORT  
BOLLINGTON TOWN COUNCIL**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
3	For one of our income pricing checks the hall hire form had no indications as to what the hire requirements were in terms of kitchen, bar and seating use and the calendar did not show the detail either. This information is necessary to ensure the charges in the invoice are complete and accurate.	<i>A complete audit trail should be available for hall hire invoices to ensure complete and accurate invoices are issued and the charges are supported by evidence.</i>	<b>Implemented</b>
4	The Debit Card payment of £15.53 on 03/09/2019 for SADPB Bollingtonion was not supported by a voucher/invoice.	<i>Vouchers/invoices should be secured for all council expenditure</i>	<b>Implemented</b>
<b>2018/19 year end internal audit</b>			
1	Credit balances are included in Debtors. The amount is immaterial and no adjustment is proposed for the accounts.	<i>Where significant, credit balances in Debtors should be included within Creditors</i>	<b>Noted</b>
2	The Risk Assessment states that the threshold for securing quotations is £2500. The current level is the Financial Regulations is £3000.	<i>The Risk Assessment should be updated</i>	<b>Implemented</b>
<b>2018/19 interim audit</b>			
1	A loan has been applied for from the PWLB and NALC will review the	<i>As part of the due diligence of the charity we recommend analytical review</i>	<b>2019/20 follow up – The loan has been agreed and provide to the Bridgend</b>

**INTERNAL AUDIT REPORT  
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	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
	application and make recommendations to the PWLB in respect of the loan. The reason for the application is to provide a £56k to loan a charity to buy a building. The council will have second charge on the property. The accounts and reserves of the charity have been secured and an independent ACA has produced one year projections to help the council assess whether the loan and interest payments are affordable for the charity.	<i>procedures are applied to the current and past two years accounts, and that the independent review certificates for the last two years are secured to ensure no material qualifications or issues were raised.</i>	<b>Centre after the council carried out due diligence, including a review of the security on the loan</b>
2	£1980 was expended during the year to purchase CCTV at the civic hall	<i>CCTV cameras and infrastructure represent capital expenditure and should be included in the asset register as an addition in the next update of the asset register</i>	<b>Implemented</b>
3	Income testing identified that where credit notes are issued against a sale invoice, the credit note reference is not recorded on the original invoice.	<i>To improve the audit trail the credit note reference should be recorded on the original invoice</i>	<b>Implemented</b>