NORTHWICH TOWN COUNCIL

Town Clerk: Chris Shaw
Council Offices, 78 Church Road, Northwich, Cheshire, CW9 5PB - 01606 41510
www.northwichtowncouncil.gov.uk chrisshaw@northwichtowncouncil.gov.uk

Northwich
town council

Dear Councillor

You are summoned to attend the Annual General Meeting of the NORTHWICH TOWN COUNCIL to be held in the Council Chamber at 6.00 pm on Monday 19th May 2025.

Yours Sincerely

Chris Shaw

Chris Shaw
Chief Officer

AGENDA

At 7.00pm, the Chief Officer will announce the entrance of the

Town Mayor Councillor Kate Cernik

1. Town Mayor Councillor Kate Cernik to present cheques to the Town Mayors charities – Tiny Steps and Cheshire Downs Syndrome. Councillor Sam Naylor has also donated some of his monies raised during his term of office to both these charities.

2. Apologies for absence or absence.

3. To elect the Town Mayor for 2025/26

4. To elect the Deputy Town Mayor 2025/26

5. To approve list of Members of Committees and Representatives on Outside Bodies

6. To approve General Power of Competence

7. To note attendance at Northwich Town Council Meetings

8. To agree meeting Calendar 2025/26

9. Second Internal Audit – JDH Business Services

10. Year End Audit – JDH Business Services

11. AGAR 2024/25

Report to :	**AGM**
Meeting Date :	**19th May 2025**
Agenda Item :	**5**
Prepared By :	**Chris Shaw**
Subject :	**Committees & Outside Bodies Reps 25/26**

<u>Town Council Committees 2025-2026</u>

Finance, Amenities and General Purposes Committee

This meeting is to be held the third Monday of each month at 6.00 p.m.

1. Lee Siddall	2. Tom Melville
3. Rachel Waterman	4. Catherine Fox
5. Julie MacDonald	6. Kate Cernik
7. Sam Naylor	8. Bob Cernik
9. Catriona Stewart	10. Andy Kent

Planning & Environment Committee

This meeting will be held every fourth Monday of the month at 5.00 p.m.

1. Bob Cernik	2. Patricia Parkes
3. Jo Risley	4. Janet Illidge
5. Catherine Fox	6. Andy Stott
6. Stephen Harcombe	8. Graham Emmett
9. Emma Guy	10. Arthur Neil

Grants Committee

Meetings will be held on the following dates at 5.30 p.m.

Dates to be confirmed (2 meetings each year)

1. Andy Kent	2. Rachel Waterman
3. Tom Melville	4. Kate Cernik
5. Catriona Stewart	6. Olwyn Dean
7. Julie MacDonald	8. Janet Illidge
9. Patricia Parkes	10. Lee Siddall

Policy & Operations Committee

Chair & Vice from all the above Committees, meetings as requested.

1. Town Mayor	2. Deputy Town Mayor
3. Chair of Planning & Environment	4. Vice Chair of Planning & Environment
5. Chair of Grants	6. Vice Chair of Grants
9. Chair of Finance & Amenities	10. Vice Chair of Finance & Amenities

Personnel Committee to be agreed at first meeting of Policy & Operations

1.	2.
3.	4.

Chairs and Vice Chairs of all Committees to be elected at their first Committee meetings.

Representatives on Outside Bodies 2025-2026

ORGANISATION	NUMBER OF VACANCIES	PROPOSED COUNCILLOR REPRESENTATIVE	PERIOD OF OFFICE
Sir John Deane's College Foundation Trust	1	Councillor Catriona Stewart	1 year
Northwich BID	3	Chris Shaw (Chief Officer) Councillor Sam Naylor Councillor Rachel Waterman	1 year
Cheshire Association of Local Councils (CHALC)	2	Chris Shaw (Chief Officer) Councillor Kate Cernik	1 year
Manchester International Airport	2	Chris Shaw (Chief Officer) Councillor Sam Naylor	1 year
Mid Cheshire Community Rail	3	Councillor Andy Kent Councillor Emma Guy Councillor Stephen Harcombe	1 year
Warrington & Vale Royal College	3	Councillor Lee Siddall Councillor Bob Cernik Councillor Sam Naylor	1 year
Renescience	2	Councillor Julie Macdonald Councillor Sam Naylor Councillor Bob Cernik	1 year

TATA Heat and Power now LSEP	2	Councillor Sam Naylor Councillor Graham Emmett Councillor Stephen Harcombe	1 year
Care Community	1	Councillor Kate Cernik Councillor Julie Macdonald	1 year
Sustainable Northwich	2	Councillor Julie Macdonald Councillor Catriona Stewart	1 year

Members to agree above Committee and Outside Body Membership En Bloc

Decision of the Council is requested.

Chris Shaw

Chief Officer

Finance & Amenities Committee

This meeting is to be held the third Monday of each month at 6.00 p.m.

1. Lee Siddall	2. Tom Melville
3. Rachel Waterman	4. Catherine Fox
5. Julie MacDonald	6. Kate Cernik
7. Sam Naylor	8. Bob Cernik
9. Catriona Stewart	10. Andy Kent

Planning & Environment Committee

This meeting will be held every fourth Monday of the month at 5.00 p.m.

1. Bob Cernik	2. Patricia Parkes
3. Jo Risley	4. Janet Illidge
5. Catherine Fox	6. Andy Stott
6. Stephen Harcombe	8. Graham Emmett
9. Emma Guy	10. Arthur Neil

Grants Committee

Meetings will be held on the following dates at 5.30 p.m.

Dates to be confirmed (2 meetings each year)

1. Andy Kent	2. Rachel Waterman
3. Tom Melville	4. Kate Cernik
5. Catriona Stewart	6. Olwyn Dean
7. Julie MacDonald	8. Janet Illidge
9. Patricia Parkes	10. Lee Siddall

Policy & Operations Committee

Chair & Vice from all the above Committees, meetings as requested.

1. Town Mayor	2. Deputy Town Mayor
3. Chair of Planning & Environment	4. Vice Chair of Planning & Environment
5. Chair of Grants	6. Vice Chair of Grants
9. Chair of Finance & Amenities	10. Vice Chair of Finance & Amenities

Personnel Committee to be agreed at first meeting of Policy & Operations

1. 2.

3. 4.

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Manchester International Airport	2	Chris Shaw (Chief Officer) Councillor Sam Naylor	1 year
Mid Cheshire Community Rail	3	Councillor Andy Kent Councillor Emma Guy Councillor Stephen Harcombe	1 year
Warrington & Vale Royal College	3	Councillor Lee Siddall Councillor Bob Cernik Councillor Sam Naylor	1 year
Renescience	2	Councillor Julie Macdonald Councillor Sam Naylor Councillor Bob Cernik	1 year
TATA Heat and Power now LSEP	2	Councillor Sam Naylor Councillor Graham Emmett Councillor Stephen Harcombe	1 year
Care Community	1	Councillor Kate Cernik Councillor Julie Macdonald	1 year
Sustainable Northwich	2	Councillor Julie Macdonald Councillor Catriona Stewart	1 year

Report to : **AGM**

Meeting Date : **19th May 2025**

Agenda Item : **6**

Prepared By : **Chris Shaw**

Subject : **General Power of Competence (GPC)**

Background

The General Power of Competence (GPC) was introduced by the Localism Act 2011 and took effect in February 2012. In simple terms, it gives councils the power to do anything an individual can do provided it is not prohibited by other legislation. It applies to all principal councils (district, county and unitary councils etc). It also applies to eligible1 parish and town councils. It replaces the wellbeing powers in England that were provided under the Local Government Act 2000.

The scope – and some limitations – of the General Power are set out in sections 1 to 6 of the Localism Act 2011.

In summary, the GPC enables councils to do things:

• an individual may generally do
• anywhere in the UK or elsewhere
• for a commercial purpose or otherwise, for a charge or without a charge
• without the need to demonstrate that it will benefit the authority, its area or persons resident or present in its area (although in practice councils will want to realise such benefits).

But there are some limitations on General power, either because they are not things which an individual can do or because they are excluded by the Act. The GPC will not:

• provide councils with new powers to raise tax or precepts or to borrow
• enable councils to set charges for mandatory services, impose fines or create offences or byelaws, over and above existing powers to do so
• override existing legislation in place before the Localism act 2011, so-called 'pre-commencement limitations' (however powers enacted after commencement of the GPC will only limit the GPC if this explicitly stated in the legislation).

Where using the GPC for charging or trading purposes, the recipient should agree to the service being provided, the income from charges should not exceed the cost of provision and, where things are done for commercial purposes, this must be done through a specified type of company.

Notwithstanding the limitations outlined above, the GPC remains a broad power.

As part of the Government's wider localism agenda, the GPC is intended not only to increase local authority powers but to give greater confidence in the scope of those powers and to signal that how those powers are used is a matter for local authorities (Department for Communities and Local Government, November 2011).

It should encourage more managed risk taking by councils. In enacting the GPC, the Government intended to remove the uncertainty which had arisen around the scope of the previous wellbeing powers – to promote the economic, environmental and social wellbeing of a council's area – where the courts had found that these powers did not enable councils to enter some arrangements such as a mutual insurance company across several councils – the so-called London Authorities Mutual Ltd (LAML) case in 2009.

Criteria required

- Two thirds of the Council to be elected members and not Co – Opted
- Qualified Chief Officer

Council to resolve adopting the General Power of Competence.

Decision of the Council is requested.

Chris Shaw

Chief Officer

Report to : AGM

Meeting Date : 19th May 2025

Agenda Item : 7

Prepared By : Cath Kirwan

Subject : Councillors Attendance at Meetings 24-25

Councillors Attendance at Meetings 24-25
Full Council

Members	May/AGM	June	July	August	September	October	November	December	January	February	March	April
JOANNE CALLAGHAN	✓	✗	✓		✓	✗	✓	✓	✓	✓	✗	✓
KATE CERNIK	✓	✗	✓	N	✗	✓	✓	✓	✓	✓	✓	✓
BOB CERNIK	✓	✓	✓	O	✗	✓	✓	✓	✓	✓	✓	✓
OLWYN DEAN	✗	✓	✗		✓	✗	✗	✗	✗	✓	✓	✓
GRAHAM EMMETT	✗	✓	✗	M	✓	✗	✓	✗	✗	✓	✓	✓
CATHERINE FOX	✗	✗	✓	E	✗	✓	✓	✗	✓	✓	✗	✓
ALISON GERRARD	✓	✗	✓	E	✗	✓	✗	✓	✗	✓	✗	✗
EMMA GUY												✓
STEPHEN HARCOMBE					✓	✓	✓	✓	✓	✓	✓	✗
JANET ILLIDGE	✗	✓	✗	T	✓	✗	✓	✓	✓	✗	✗	✓
ANDREW KENT	✓	✓	✓	I	✓	✓	✗	✓	✓	✗	✓	✓
AMY LOCKETT	✗	✗	✓	N	✗	✗	✗					

JULIE MACDONALD	✓	✓	✓	G	✓	✓	✓	✓	✓	✓	✓	✓
ARTHUR NEIL	✗	✓	✓		✓	✓	✗	✓	✓	✓	✗	✓
PATRICIA PARKES	✗	✓	✗		✗	✓	✗	✓	✓	✓	✗	✓
TOM MELVILLE	✗	✓	✗		✓	✓	✗	✓	✗	✗	✗	✓
SAM NAYLOR	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✗
LEE SIDDALL	✓	✓	✓		✓	✗	✓	✗	✓	✗	✓	✓
CATRIONA STEWART	✓	✓	✓		✓	✓	✗	✓	✓	✓	✗	✓
ANDREW STOTT	✓	✓	✓		✗	✓	✓	✓	✓	✗	✓	✗
JANE THOMAS	✓	✓	✗		✓	✗	✗	✓	✓	✗	✓	✗
RACHEL WATERMAN	✓	✓	✓		✓	✓	✓	✗	✓	✓	✓	✗

FINANCE AND GENERAL PURPOSES COMMITTEE

Members	May	June	July	August	September	October	November	December	January	February	March	April
TOM MELVILLE	✗	✓	✗	✓	✓	NOT QUORATE	✗	✗	✗	✓	✓	✗
SAM NAYLOR	✓	✓	✗	✗	✗		✓	✓	✗	✓	✓	✓
KATE CERNIK	✓	✗	✗	✗	✓		✓	✓	✓	✓	✗	✗
LEE SIDDALL	✓	✓	✓	✓	✗		✓	✓	✓	✓	✗	✓
ALISON GERRARD	✗	✗	✗	✗	✗		✗	✗	✗	✗	✗	✗
CATHERINE FOX	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✗
JULIE MACDONALD	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
RACHEL WATERMAN	✓	✓	✓	✓	✓		✓	✓	✗	✓	✓	✓

PLANNING

Members	May	June	July	August	September	October	November	December	January	February	March	April
BOB CERNIK	✗	✗	✓	✗	✓	✓	✗	NO	✓	✗	✓	
PATRICIA PARKES	✗	✗	✗	✗	✓	✓	✓		✗	✓	✓	
JO CALLAGHAN	✓	✗	✓	✓	✓	✓	✗	E	✓	✓	✗	
ANDY KENT	✗	✗	✓	✓	✗	✓	✓	E	✓	✓	✓	
CATRIONA STEWART	✗	✗	✓	✓	✗	✓	✗	T	✗	✓	✓	NOT QUORATE
ANDY STOTT	✓	✓	✓	✓	✗	✓	✓	I	✓	✗	✓	
JANET ILLIDGE	✓	✗	✗	✓	✗	✓	✓	N	✗	✓	✓	
CATHERINE FOX	✓	✗	✓	✗	✓	✓	✗	G	✓	✗	✗	

GRANTS

Members	Dec-24	Mar-25
JULIE MACDONALD	✓	✓
KATE CERNIK	✓	✓
CATRIONA STEWART	✓	✓
TOM MELVILLE	✓	✗
PATRICIA PARKES	✗	✓
ROBERT CERNIK	✓	✓
RACHEL WATERMAN	✓	✗
JANET ILLIDGE	✗	✓

POLICY AND OPERATIONS

Members	Apr-25
ANDREW STOTT	✓
CATHERINE FOX	✕
JULIE MACDONALD	✓
CATRIONA STEWART	✕
KATE CERNIK	✕
ROBERT CERNIK	✕

Report to : AGM

Meeting Date : 19th May 2025

Agenda Item : 8

Prepared By : Chris Shaw

Subject : Meetings Calendar

Meetings Calendar 2025-2026

May 2025	
19th 5.30pm	Town and Parish Meeting
19th 7.00pm	Annual General Meeting
20th 6.30pm	Finance , General Purposes and Amenities Committee
28th 5.00pm	Planning and Environment Committee

June 2025	
2nd 6.00pm	Town Council
16th 6.30pm	Finance and General Purposes Committee
23rd 5.00pm	Planning and Environment Committee

July 2025	
7th 6.00pm	Town Council
21st 6.30pm	Finance , General Purposes and Amenities Committee
23rd 6.30pm	Grants Committee Meeting
28th 5.00pm	Planning and Environment Committee

August 2025	
Recess no Town Council Meeting held.	
18th 6.30pm	Finance , General Purposes and Amenities Committee
25th 5.0pm	Planning and Environment Committee

September 2025	
1st 6.00pm	Town Council
15th 6.30pm	Finance , General Purposes and Amenities Committee
22nd 5.00pm	Planning and Environment Committee

October 2025	
6th 6.00pm	Town Council
20th 6.30pm	Finance , General Purposes and Amenities Committee
27th 5.00pm	Planning and Environment Committee

November 2025	

3rd 6.00pm	Town Council
12th 6.00pm	Grants Committee Meeting
17th 6.30pm	Finance , General Purposes and Amenities Committee
24th 5.00pm	Planning and Environment Committee

December 2025	
1st 6.00pm	Town Council
15th 6.30pm	Finance , General Purposes and Amenities Committee
22nd 5.00pm	Planning and Environment Committee

January 2026	
5th 6.00pm	Town Council
19th 6.30pm	Finance , General Purposes and Amenities Committee
26th 5.00pm	Planning and Environment Committee

February 2026	
2nd 6.00pm	Town Council
16th 6.30pm	Finance , General Purposes and Amenities Committee
23rd 5.00pm	Planning and Environment Committee

March 2026	
2nd 6.00pm	Town Council
16th 6.30pm	Finance , General Purposes and Amenities Committee
23rd 5.00pm	Planning and Environment Committee

April 2026	
6th 6.00pm	Town Council
20th 6.30pm	Finance , General Purposes and Amenities Committee
27th 5.00pm	Planning and Environment Committee

Information

Full Council meetings are held on the 1st Monday of each month at 6.00 pm, with the exception of Bank Holidays when the meeting will be held the following Monday.

Planning & Environment Committee meetings are held on the 4th Monday of each month.

Finance, General Purposes & Amenities Committee meetings are held on the 3rd Monday of each month.

The Grants Committee and Policy and Operations Committee meet on an ad hoc basis as required.

Meeting times for all committees will be shown in agendas posted on the Council website and notice board 3 days beforehand.

Members of the public can attend all meetings but will be unable to make any comments.

If a member of the public wishes to bring an issue to the Town Council this must be put in writing to the Chief Officer at least 7 working days before the meeting and may speak in the 'Open Forum', for a maximum of 10 minutes and 10 minutes for questions. No discussion will take place, but the member of the public will be responded to in writing as necessary.

Chris Shaw

Chief Officer

Report to : AGM

Meeting Date : **19th May 2025**

Agenda Item : **9**

Prepared By : Chris Shaw

Subject : **Second Internal Audit Report**

Background

Second Interim Audit Report was reviewed by Finance Committee in April 2025. Finance Committee recommend that Full Council approve the 2024/2025 second internal audit with recommendations and follow ups.

Decision of the Council is requested

Chris Shaw

Chief Officer

Northwich Town Council

Internal Audit 2024/25

Second 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
NORTHWICH TOWN COUNCIL

The internal audit was carried out by undertaking the following tests 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)
- Review of year-end financial statements
- The authority has complied with the publication requirements for the prior year AGAR.
- The authority correctly provided for a period for the exercise of public rights for the prior year AGAR
- The authority published required information on a website up to date at the time of the internal audit in accordance with relevant legislation.

The interim internal audits provide 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, which was limited to the tests indicated above, 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 the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

	ISSUE	RECOMMENDATION	FOLLOW UP
2024/25 Second interim internal audit			
1	There is a 50p error in the accounting for the following payment as the total net figure on the receipt is £60.59 with the remainder VAT: • 09/01/2025 BACS Cashbook Moor Caernarfon net of VAT = £60.09	*The processing of transactions from receipts that include a number of categories of VAT should ensure that VAT is correctly accounted for.*	This will be implemented.
2024/25 First interim internal audit			
1	The Accounts and Audit Regulations require the council to conduct a financial year review of the effectiveness of the system of internal control. Although there are internal controls in place as evidenced by the Financial Regulations and member checks, the council has not conducted an annual review of the effectiveness of internal controls and documented this in the minutes.	*The council should conduct an annual review of the effectiveness of the system of internal controls and document this review in the minutes.*	We are in the process of conducting an annual review.

	ISSUE	RECOMMENDATION	FOLLOW UP
2	We could not identify any contingency arrangements to maintain complete and accurate up to date accounting records in the event of key staff absence for a significant period.	*The council need to review its contingency arrangements for maintaining complete and accurate financial systems and controls in the absence of key staff.*	The council will review a contingency plan for when key staff are absent.
3	There is currently no formal medium term corporate plan showing the medium term priorities, objectives and strategic direction of the council.	*The council should consider formalising its priorities and objectives into a medium term corporate plan.*	This will be implemented.
4	Review of the following receipt indicates there was potentially an internment fee overcharge of £50 compared to the cemetery fees list: • 30/04/24 Invoice No. 7616 £630 was charged for an internment, however, the price list states internment fees are £580 for 17 years and older. We are informed that the error occurred because the incorrect price has been input into the Rialtas accounting system and that reliance is placed on officers to correct for	*The Rialtas accounting system must be updated with current pricing lists.*	A credit note was issued to correct this.

	ISSUE	RECOMMENDATION	FOLLOW UP
	the incorrect price when issuing invoices. However, on this occasion, no amendment to the incorrect Rialtas price for internments was made.		
5	There is an issue with the wording of the Financial Regulations when referring to the thresholds for estimates: *"When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Chief Officer shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is* ***above*** *£10,000 the Chief Officer shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply."* The section should state 'below' instead of 'above' £10000 for three estimates as the way the thresholds normally work is that three quotations would then be required for contracts between £10000 and £25000.	*The council should review the wording of the Financial Regulations with regard to securing quotations and estimates*	This has now been updated to the correct amount and approved by Full Council Minute Reference: NTC 24/99

	ISSUE	RECOMMENDATION	FOLLOW UP
6	Recurring Issue: The budgetary control reports presented to committee do not identify those variances in excess of the threshold in the Financial Regulations requiring written explanation. Financial Regulations state the following: *4.8. The Clerk 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 15% of the budget.* We are informed that the Chief Officer reviews all budget headings in detail with the Finance Committee at each monthly meeting.	*The budgetary control information provided to council should comply with Financial Regulation requirements by highlighting those variances in the report which are in excess of the threshold set in the Financial regulations where a written explanation is needed.*	This will be implemented.

	ISSUE	RECOMMENDATION	FOLLOW UP
2023/24 Year end internal audit			
No further issues arising – a robust set of year end records have been maintained with a comprehensive audit trail to supporting information.			
2023/24 Second interim internal audit			
1	**Recurring Issue** VAT of 20% was applied to the hire of chapel for £1,300 in February 2024 (Invoice 7422). Room/hall hire is normally exempt from VAT unless the council had previously opted to tax this supply, which it has not. Therefore, it is not clear why VAT has been charged on this item.	***Recurring Recommendation*** *The correct VAT treatment should be applied to all chargeable services.* *It would be beneficial if external VAT support is secured to review all chargeable services to determine the VAT correct status.*	**VAT training has been received by officers and advice on VAT from the NALC VAT advisor**
2023/24 First interim internal audit			
1	A substantial skatepark contract was undertaken during the year which was above the threshold for applying the formal tender process	*The council must comply with the procurement requirements of the Financial Regulations, and where exemption(s) are applied, record the council decision in the*	**No further procurement or Purchase Order issues identified in 2024/25 first interim internal audit.**

	ISSUE	RECOMMENDATION	FOLLOW UP
	as prescribed in the Financial Regulations (FRs) and Standing Orders. However, the market testing exercise comprised securing three priced quotations of the supply based on a comprehensive specification rather than an advertised tender due to the specialist nature of the contract. Potential providers were invited to provide their designs and costings with public consultation determining the design that was selected. Minutes do not record the decision to dispense with the standard tender requirements of the FRs/SOs and instead follow the process described above. No appropriately authorised Purchase Order was issued for the commencement of this contract.	*minutes and reference to the Financial Regulations.* *Appropriately authorised Purchase Orders must be issued for all significant contracts*	
2	The council may charge VAT on certain categories of sports fees. In 2023 HMRC published a paper 'Changes to VAT treatment of local authority leisure services' noting that Local Authorities were currently treated as undertaking a	*The council need to review the HMRC guidance on the VAT treatment of leisure services and secure guidance from a VAT expert as to what impact the changes will have on the council and what claims (if any) are required to be submitted to HMRC for the current and earlier years.*	**VAT training has been received by officers and advice on VAT from the NALC VAT advisor**

	ISSUE	RECOMMENDATION	FOLLOW UP
	business activity if they provide leisure services to members of the public. This treatment was challenged and the matter was considered by the courts. who found that local authorities' leisure services are provided under a statutory framework and can be treated as non-business for VAT purposes.		
3	Sample testing of income identified the following issued regarding VAT: • Sample item from 01/12/2023 No 1 Sales Ledger Sales Daybook Summary 1726 of £3,014.7 identified VAT of £62.40 had been charged on a casket for a vault burial of ashes. However, VAT is not usually applied to caskets. • Sample item from 01/12/2023 No 1 Sales Ledger Sales Daybook Summary 1722 £1,320.00. We identified that VAT had	*Recurring Issue:* *The correct VAT treatment should be applied to all chargeable services.* *The council urgently need to ensure finance staff are trained in VAT and that, as previously recommended, external support with reviewing VAT categories such as Vickersway is secured. It would clearly be beneficial if this external support reviewed all chargeable service detailed categories and determined the VAT status.*	**No further VAT issues identified in 2024/25 first interim internal audit. VAT training has been received by officers and advice on VAT from the NALC VAT advisor**

	ISSUE	RECOMMENDATION	FOLLOW UP
	been charged on the room hire. We have previously reported to the council that VAT should not be charged on room hire.		
4	There is no formal budget timetable in place evidencing the key milestones leading to the agreement of the precept request for the year and approval of the annual budget.	*A comprehensive formal budget timetable should be established annually covering the main elements of the Council's budget setting process together with key dates and responsibilities.*	**Recommendation Outstanding**
5	The tender threshold is stated as £50000 in the council Standing Orders, and £25,000 in the Financial Regulations.	*The tender threshold in the Standing Orders and Financial Regulations. Should be consistent.*	**Recommendation Outstanding**
6	We could not identify the following information published on the council website as prescribed in the Transparency Code: *PUBLICATION 32. Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds*	*The council should ensure the website is maintained up to date and that it complies fully with the publication requirements of the Local Authority Transparency Code 2015.*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
	£5,000. For each contract, the following details must be published: - *reference number* - *title of agreement* - *LA department responsible* - *description of the goods and/or services being provided* - *supplier name and details* - *sum to be paid over the length of the contract or the estimated annual spending or budget for the contract* - *Value Added Tax that cannot be recovered* - *start, end and review dates* - *whether or not the contract was the result of an invitation to quote or a published invitation to tender, and* - *whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number*		
7	The budgetary control reports presented to committee do not identify those variances in excess of the threshold in the Financial	*The budgetary control information provided to council should comply with Financial Regulation requirements by highlighting those variances in the report which are in*	**2024/25 follow up – see 2024/25 first interim report - we are informed that the Chief Officer reviews all budget headings in detail with the**

	ISSUE	RECOMMENDATION	FOLLOW UP
	Regulations requiring written explanation. Financial Regulations state the following: *4.8. The Clerk 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 15% of the budget.*	*excess of the threshold set in the Financial regulations where a written explanation is needed.*	**Finance Committee at each monthly meeting**
8	The BACS Cashbook payment allocation on 18/11/2023 for Witton Cemetery wages of £5,324.67 did not agree to the payroll allocation spreadsheet total of £5323.17.	*The difference between the cashbook Rialtas allocation and the payroll spreadsheet should be reviewed and any error(s) in allocation of payroll rectified within the Rialtas system.*	**This item has been resolved as the correct payroll allocation spreadsheet has now been provided.**
2022/23 Year end internal audit			
1	The council carried out a review of fixed assets during the year which resulted in the reclassification of a significant number of assets as	*The council should ensure the new policy with respect to fixed assets including classification of certain types of assets as*	

	ISSUE	RECOMMENDATION	FOLLOW UP
	community assets, with the value changed from acquisition cost to a notional value of £1. This is the primary reason for the reduction in fixed assets from £1,301,107 in 2021/22 to £546,264 2022/23. However, the revised approach with respect to the different categories of assets was not formally set out in a policy for adoption by council and the prior year fixed asset figure has not been restated on a like for like basis. The council has approved the revised fixed asset register. The Practitioners Guide extract below states the following with respect to fixed assets: *5.63. The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach* ***to be applied consistently from year to year****.* ***The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.*** *5.64. For authorities covered by this guide, the most appropriate and*	*community assets is set out in a formal policy approved by council.* *The council should query with the external auditor whether they require the 2021/22 fixed asset value in the AGAR to be restated on a like for like basis with the 2022/23 fixed assets revised valuation approach.*	**2022/23 follow up - 2021/22 AGAR restatement not implemented**

	ISSUE	RECOMMENDATION	FOLLOW UP
	commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.		
2	The fidelity cover is currently £1,000,000, however, fidelity insurance should aim to cover the maximum projected cash and bank balances which is estimated as the year end cash and bank balances of £484,116 plus the next precept instalment of £562,070, which gives an estimated maximum projected balances of at least £1,046,186. Financial Regulations require the following: *15.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the council, or duly delegated committee.*	*As part of risk assessment procedures, the council should annually estimate maximum projected cash and bank balances and review this against the current fidelity cover and set the level of fidelity insurance accordingly.* *The council need to review the current level of fidelity insurance as it does not cover maximum projected cash and bank balances.*	**2023/24 follow up – reserves have now reduced significantly to match fidelity cover** **2022/23 - Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
3	The amount of the precept request for 2022/23 is not recorded in the full council minutes which is a requirement of the Local Government Act 1992 as the February 2023 council meeting agreed the precept but did not state the full monetary amount of the precept just the council tax band.	*The amount of precept requested must be stated in the council resolution of the minutes where the precept was decided.*	**Implemented**
4	Staff costs in the AGAR annual return includes the following cost centres non-payroll expenditure on the Jubilee - £1,057 Rialtas code 4734 135 Queens Jubilee - £210 Rialtas code 4734 136 Queens Jubilee - £251 Rialtas code 4734 200 Queens Jubilee	*The council must ensure that Rialtas coding structure is set up to only consolidate payroll costs into the Staff Costs figure for the AGAR accounts.*	**Implemented**
5	**Recurring Recommendation** The risk assessment does not address the risks of supplier fraud. The supplier fraud risks can be	*The risk assessment should be updated to include supplier fraud including the adequacy of supplier onboarding controls.*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
	managed via appropriately robust policies and procedures. Examples of prevention actions include: - training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information. - establish a rigorous change of supplier details procedure - where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change - periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments.		

	ISSUE	RECOMMENDATION	FOLLOW UP
	- checking address and financial health details with Companies House - checking samples of online payments to supplier invoices to ensure the payment has been made to the supplier bank account		
6	A petty cash payment was made in September 2022 for £50 for which no receipt was secured and retained.	*Petty cash vouchers/invoices should be secured and retained for all petty cash payments.*	**2023/24 follow up – no further petty cash issues identified.**
2022/23 Second interim internal audit			
1	Balances have increased materially from the low levels in 2019, however, there is no established Investment Strategy and Treasury Management strategy in accordance with the LGA 2003.	*The council should establish an Investment Strategy and Treasury Management Strategy with reference to the requirements of the Local Government Act 2003.*	**Recommendation Outstanding**
2	Annual pay rises are notified to the payroll agent via an email from officers.	*The Chair should either email the annual officer pay rise information to the payroll agent, or a scanned letter from the Chair should be sent to the agent confirming the annual officer pay rises.*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
3	Review of Policies: - The current procedures for gifts and hospitality requirements at the council are those included in the adopted Code of Conduct which covers members only. - There is no current expenses policy in place covering officers and members	*The council gifts and hospitality policies should cover officers as well as members.* *The council should consider adopting an expenses policy that coves both officers and members.*	**Recommendation Outstanding**
4	There is no income collection/debt write off policy to ensure there is an agreed consistent approach to income collection and the procedures to follow with older debts including write offs. Aged debtor reports are not reported to the Finance, Policy and Governance Committee to provide management information about the age profile of debtor balances.	*The council should consider establishing an income collection/debt write off policy to ensure a consistent approach to debtors.* *Management information provided to council could be improved by providing the Rialtas aged debtor report at least annually to the Finance Committee so they can review income risks in terms of whether the levels of older debtors is significant.*	**Recommendation Outstanding**
5	Feedback to our interim internal audit questionnaire item regarding Public Contract Regulations indicate	*The council need to ensure staff involved in procurement are aware of the requirements of the Public Contracts Regulations 2015*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
	no officers had received training in the requirements.	*regarding publishing information about contract opportunities and awards, over certain value thresholds, on the Contracts Finder website. In addition, officers need to be aware that the Public Contracts (Amendment) Regulations 2022 came into force on 21 Dec 2022 (refer to Action Note PPN 01/23 Procurement Policy Note – update to legal and policy requirements to publish procurement information on Contracts Finder).*	
2022/23 First interim internal audit			
1	The monthly straight line maintenance charge for one of the contracts tested did not agree to the signed service SLA. In addition, the SLA did not stipulate that watering changes were in addition to the straight line SLA, however, watering had been charged as an addition in one invoice tested.	*Recurring Recommendation* *The council should investigate the incorrect pricing we identified and ensure processes are improved to prevent this recurring. The next invoice to the customer (identified in our sample with the incorrect price charged) should reflect the correction of the pricing error.* *The council must ensure that SLA terms and conditions are clear as to what is included in the monthly straight line charge, and*	**2023/24 follow up** Management and checks of the contract SLAs and pricing spreadsheet is now carried out by the Public Realm Officer/RFO. All baseline and additional works are included on the contracts spreadsheet with the following: • Quote no • Date issued • Work accepted /not accepted • PO Issue date • Work completed date • Invoice date

	ISSUE	RECOMMENDATION	FOLLOW UP
		what items will be charged as additional services. *As this is a recurring issue a sample check of contract SLAs with invoices should be added to the regular councillor checks carried out.*	• Money received Recommendation Outstanding – no sample checks of income undertaken by councillors to date.
2	A duplicate payment was made to a supplier for £2881.2 in September 2022. The overpayment has now been fully refunded.	*The council should implement improved internal controls to prevent duplicate payments.*	**2023/24 follow up – no further duplicate payments identified.**
3	The quotations spreadsheet is a key contract management document. Currently the clerk reviews this periodically, for instance, to assess whether a sample of quotations accepted have been invoiced. We reviewed the current quotation spreadsheet and identified that there are a significant number of quotations listed but with no action or outcome recorded against them.. There could be a number of reasons for this, for instance, the quotation was not accepted, the quotation was accepted but the council has not	*The clerk should programme a regular review of the quotations spreadsheet and this should be evidenced by a dated signature.* *Officer resource should be allocated to follow up and record actions/outcomes against all quotations in the spreadsheet with no current information recorded.*	**2023/24 follow up** The SLAs and invoices are checked by the Public Realm Manager and RFO. The Chief Officer also checks invoices and SLAs on a regular basis.

	ISSUE	RECOMMENDATION	FOLLOW UP
	resourced delivery, the quotation was accepted and the job delivered but has not to date been invoiced etc. Therefore, by not recording actions or outcomes against every quotation, there is a risk that jobs may not be delivered on a timely basis or resourced efficiently, or completed and not invoiced.		
4	A 'clocking in' machine was purchased by card on 05/09/2022 for £227. This is a fixed asset but current procedures do not review card purchases for capital additions to be included in the fixed asset register.	*All card expenditure should be reviewed to ensure capital additions are identified and included in the fixed asset register.*	**2023/24 follow up – no further fixed asset issues identified.**
2021/22 and earlier outstanding recommendations			
1	The risk assessment does not address the risks of supplier (procurement) fraud.	*The risk assessment should be updated to include supplier (procurement) fraud including the adequacy of supplier onboarding controls.*	**Recommendation Outstanding – see 2022/23 issues**
2	The council is party to a number of contracts with varying lengths and conditions.	*The council should establish a contracts register which should be regularly reviewed to identify those contracts where the*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
		upcoming end date signifies that a tender or quotation process is required, or whether a decision is needed regarding an extension which is provided for in the contract terms.	

Report to :	**AGM**
Meeting Date :	**19th May 2025**
Agenda Item :	**10**
Prepared By :	Chris Shaw
Subject :	**Internal Audit Report**

Background

To approve JDH Business Services Ltd (internal Auditors) interim report for Northwich Town Council for 2024/2025.

Decision of the Council is requested

Chris Shaw

Chief Officer

Northwich Town Council

Internal Audit 2024/25

JDH BUSINESS SERVICES LTD

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

INTERNAL AUDIT REPORT
NORTHWICH TOWN COUNCIL

The internal audit was carried out by undertaking the following tests 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)
- Review of year-end financial statements
- The authority has complied with the publication requirements for the prior year AGAR.
- The authority correctly provided for a period for the exercise of public rights for the prior year AGAR
- The authority published required information on a website up to date at the time of the internal audit in accordance with relevant legislation.

The interim internal audits provide 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, which was limited to the tests indicated above, 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 the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
2024/25 Year end internal audit			
1	It is not clear from the information published on the council website whether it complied with Regulation 15 of the Accounts and Audit Regulations 2015 to make proper provision for the exercise of public rights for the 2022/23 accounts. The notice published on the website explicitly states from external audit that it is **not to be published on the council website**, the document contains no announcement date and the section for signature by the Chief Officer is not signed.	*The council must use the correct public notice form to clearly demonstrate compliance with the requirements of the Accounts and Audit Regulations 2015 with respect to the notice for the exercise of public rights.*	
2	The VAT control account balance of £55431 in the year end balance sheet did not agree with the final quarter VAT return amount of £58424. The difference was due to a batch of sales invoices processed after the VAT return had been	*The council must ensure year end processes are aligned correctly so that a complete and accurate year end VAT return is submitted that agrees to the VAT control account in the Balance Sheet.*	

	ISSUE	RECOMMENDATION	FOLLOW UP
	closed off and submitted, therefore, the additional output VAT due will have to be reflected in the first quarter return of 2025/26.		
3	A total of £148496 general reserves is disclosed in the balance sheet which is 22.6% of the 2025/26 precept of £655743. Sector guidance is that councils should aim for a general reserve level of between 25% and 100% of the precept or net operating expenditure.	*The council should review the level of general reserves during the budget setting process with reference to sector guidance.*	
4	The ‘Other Creditors’ figure of £2672 comprises s137 grants approved but not paid at the year end. Therefore, these creditors did not relate to goods and services received by the council in 2024/25 as they were approved grants that were due to be paid. These grants should have been included in earmarked reserves at the year end rather than creditors	*Year end procedures should be improved to ensure grants approved are included in earmarked year end reserves rather than creditors*	

	ISSUE	RECOMMENDATION	FOLLOW UP
5	Fixed Asset register: A note to the register states that all disposals are highlighted in red. However, the formula used to total the excel spreadsheet captures all assets in the listing, including disposals.	*The council should check the asset register to ensure that the spreadsheet formula used correctly removes any disposals in the register.*	
6	Recurring Issue: We could not identify the following information published on the council website as prescribed in the Transparency Code: *PUBLICATION 32. Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:* - *reference number* - *title of agreement* - *LA department responsible* - *description of the goods and/or services being provided*	*The council should ensure the website is maintained up to date and that it complies fully with the publication requirements of the Local Authority Transparency Code 2015.*	

	ISSUE	RECOMMENDATION	FOLLOW UP
	- *supplier name and details* - *sum to be paid over the length of the contract or the estimated annual spending or budget for the contract* - *Value Added Tax that cannot be recovered* - *start, end and review dates* - *whether or not the contract was the result of an invitation to quote or a published invitation to tender, and* - *whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number*		
2024/25 Second interim internal audit			
1	There is a 50p error in the accounting for the following payment as the total net figure on the receipt is £60.59 with the remainder VAT:	*The processing of transactions from receipts that include a number of categories of VAT should ensure that VAT is correctly accounted for.*	

	ISSUE	RECOMMENDATION	FOLLOW UP
	• 09/01/2025 BACS Cashbook Moor Caernarfon net of VAT = £60.09		
2024/25 First interim internal audit			
1	The Accounts and Audit Regulations require the council to conduct a financial year review of the effectiveness of the system of internal control. Although there are internal controls in place as evidenced by the Financial Regulations and member checks, the council has not conducted an annual review of the effectiveness of internal controls and documented this in the minutes.	*The council should conduct an annual review of the effectiveness of the system of internal controls and document this review in the minutes.*	
2	We could not identify any contingency arrangements to maintain complete and accurate up to date accounting records in the event of key staff absence for a significant period.	*The council need to review its contingency arrangements for maintaining complete and accurate financial systems and controls in the absence of key staff.*	
3	There is currently no formal medium term corporate plan showing the medium term priorities,	*The council should consider formalising its priorities and objectives into a medium term corporate plan.*	

	ISSUE	RECOMMENDATION	FOLLOW UP
	objectives and strategic direction of the council.		
4	Review of the following receipt indicates there was potentially an internment fee overcharge of £50 compared to the cemetery fees list: • 30/04/24 Invoice No. 7616 £630 was charged for an internment, however, the price list states internment fees are £580 for 17 years and older. We are informed that the error occurred because the incorrect price has been input into the Rialtas accounting system and that reliance is placed on officers to correct for the incorrect price when issuing invoices. However, on this occasion, no amendment to the incorrect Rialtas price for internments was made.	*The Rialtas accounting system must be updated with current pricing lists.*	
5	There is an issue with the wording of the Financial Regulations when referring to the thresholds for estimates:	*The council should review the wording of the Financial Regulations with regard to securing quotations and estimates*	

	ISSUE	RECOMMENDATION	FOLLOW UP
	"When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Chief Officer shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is ***above*** *£10,000 the Chief Officer shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply."* The section should state 'below' instead of 'above' £10000 for three estimates as the way the thresholds normally work is that three quotations would then be required for contracts between £10000 and £25000.		
6	Recurring Issue: The budgetary control reports presented to committee do not identify those variances in excess of the threshold in the Financial Regulations requiring written explanation. Financial Regulations state the following:	*The budgetary control information provided to council should comply with Financial Regulation requirements by highlighting those variances in the report which are in excess of the threshold set in the Financial regulations where a written explanation is needed.*	

	ISSUE	RECOMMENDATION	FOLLOW UP
	4.8. The Clerk 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 15% of the budget. We are informed that the Chief Officer reviews all budget headings in detail with the Finance Committee at each monthly meeting.		
2023/24 Year end internal audit			
No further issues arising – a robust set of year end records have been maintained with a comprehensive audit trail to supporting information.			
2023/24 Second interim internal audit			
1	**Recurring Issue**	***Recurring Recommendation***	**2024/25 follow up - VAT training has been received by officers and**

	ISSUE	RECOMMENDATION	FOLLOW UP
	VAT of 20% was applied to the hire of chapel for £1,300 in February 2024 (Invoice 7422). Room/hall hire is normally exempt from VAT unless the council had previously opted to tax this supply, which it has not. Therefore, it is not clear why VAT has been charged on this item.	*The correct VAT treatment should be applied to all chargeable services.* *It would be beneficial if external VAT support is secured to review all chargeable services to determine the VAT correct status.*	**advice on VAT from the NALC VAT advisor. However, the complexity of VAT treatment to different income categories, for instance burial fees, continues to be an issue.**
2023/24 First interim internal audit			
1	A substantial skatepark contract was undertaken during the year which was above the threshold for applying the formal tender process as prescribed in the Financial Regulations (FRs) and Standing Orders. However, the market testing exercise comprised securing three priced quotations of the supply based on a comprehensive specification rather than an advertised tender due to the specialist nature of the contract. Potential providers were invited to provide their designs and costings	*The council must comply with the procurement requirements of the Financial Regulations, and where exemption(s) are applied, record the council decision in the minutes and reference to the Financial Regulations.* *Appropriately authorised Purchase Orders must be issued for all significant contracts*	**No further procurement or Purchase Order issues identified in 2024/25 first interim internal audit.**

	ISSUE	RECOMMENDATION	FOLLOW UP
	with public consultation determining the design that was selected. Minutes do not record the decision to dispense with the standard tender requirements of the FRs/SOs and instead follow the process described above. No appropriately authorised Purchase Order was issued for the commencement of this contract.		
2	The council may charge VAT on certain categories of sports fees. In 2023 HMRC published a paper ‘Changes to VAT treatment of local authority leisure services’ noting that Local Authorities were currently treated as undertaking a business activity if they provide leisure services to members of the public. This treatment was challenged and the matter was considered by the courts. who found that local authorities’ leisure services are provided under a statutory framework and can be treated as non-business for VAT purposes.	*The council need to review the HMRC guidance on the VAT treatment of leisure services and secure guidance from a VAT expert as to what impact the changes will have on the council and what claims (if any) are required to be submitted to HMRC for the current and earlier years.*	**VAT training has been received by officers and advice on VAT from the NALC VAT advisor**

	ISSUE	RECOMMENDATION	FOLLOW UP
3	Sample testing of income identified the following issued regarding VAT: • Sample item from 01/12/2023 No 1 Sales Ledger Sales Daybook Summary 1726 of £3,014.7 identified VAT of £62.40 had been charged on a casket for a vault burial of ashes. However, VAT is not usually applied to caskets. • Sample item from 01/12/2023 No 1 Sales Ledger Sales Daybook Summary 1722 £1,320.00. We identified that VAT had been charged on the room hire. We have previously reported to the council that VAT should not be charged on room hire.	*Recurring Issue:* *The correct VAT treatment should be applied to all chargeable services.* *The council urgently need to ensure finance staff are trained in VAT and that, as previously recommended, external support with reviewing VAT categories such as Vickersway is secured. It would clearly be beneficial if this external support reviewed all chargeable service detailed categories and determined the VAT status.*	**No further VAT issues identified in 2024/25 first interim internal audit. VAT training has been received by officers and advice on VAT from the NALC VAT advisor**
4	There is no formal budget timetable in place evidencing the key milestones leading to the agreement of the precept request for the year and approval of the annual budget.	*A comprehensive formal budget timetable should be established annually covering the main elements of the Council's budget setting process together with key dates and responsibilities.*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
5	The tender threshold is stated as £50000 in the council Standing Orders, and £25,000 in the Financial Regulations.	*The tender threshold in the Standing Orders and Financial Regulations. Should be consistent.*	**Recommendation Outstanding**
6	We could not identify the following information published on the council website as prescribed in the Transparency Code: *PUBLICATION 32. Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:* - *reference number* - *title of agreement* - *LA department responsible* - *description of the goods and/or services being provided* - *supplier name and details* - *sum to be paid over the length of the contract or the estimated annual spending or budget for the contract*	*The council should ensure the website is maintained up to date and that it complies fully with the publication requirements of the Local Authority Transparency Code 2015.*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
	- *Value Added Tax that cannot be recovered* - *start, end and review dates* - *whether or not the contract was the result of an invitation to quote or a published invitation to tender, and* - *whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number*		
7	The budgetary control reports presented to committee do not identify those variances in excess of the threshold in the Financial Regulations requiring written explanation. Financial Regulations state the following: *4.8. The Clerk 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*	*The budgetary control information provided to council should comply with Financial Regulation requirements by highlighting those variances in the report which are in excess of the threshold set in the Financial regulations where a written explanation is needed.*	**2024/25 follow up – see 2024/25 first interim report - we are informed that the Chief Officer reviews all budget headings in detail with the Finance Committee at each monthly meeting**

	ISSUE	RECOMMENDATION	FOLLOW UP
	explanations of material variances. For this purpose "material" shall be in excess of 15% of the budget.		
8	The BACS Cashbook payment allocation on 18/11/2023 for Witton Cemetery wages of £5,324.67 did not agree to the payroll allocation spreadsheet total of £5323.17.	*The difference between the cashbook Rialtas allocation and the payroll spreadsheet should be reviewed and any error(s) in allocation of payroll rectified within the Rialtas system.*	**This item has been resolved as the correct payroll allocation spreadsheet has now been provided.**
2022/23 Year end internal audit			
1	The council carried out a review of fixed assets during the year which resulted in the reclassification of a significant number of assets as community assets, with the value changed from acquisition cost to a notional value of £1. This is the primary reason for the reduction in fixed assets from £1,301,107 in 2021/22 to £546,264 2022/23. However, the revised approach with respect to the different categories of assets was not formally set out in a policy for adoption by council and the prior year fixed asset figure has not been restated on a like for like	*The council should ensure the new policy with respect to fixed assets including classification of certain types of assets as community assets is set out in a formal policy approved by council.* *The council should query with the external auditor whether they require the 2021/22 fixed asset value in the AGAR to be restated on a like for like basis with the 2022/23 fixed assets revised valuation approach.*	**2022/23 follow up - 2021/22 AGAR restatement not implemented**

	ISSUE	RECOMMENDATION	FOLLOW UP
	basis. The council has approved the revised fixed asset register. The Practitioners Guide extract below states the following with respect to fixed assets: *5.63. The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach* ***to be applied consistently from year to year****.* ***The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.*** *5.64. For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.*		
2	The fidelity cover is currently £1,000,000, however, fidelity insurance should aim to cover the maximum projected cash and bank balances which is estimated as the year end cash and bank balances of	*As part of risk assessment procedures, the council should annually estimate maximum projected cash and bank balances and review this against the current fidelity cover and set the level of fidelity insurance accordingly.*	**2023/24 follow up – reserves have now reduced significantly to match fidelity cover** **2022/23 - Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
	£484,116 plus the next precept instalment of £562,070, which gives an estimated maximum projected balances of at least £1,046,186. Financial Regulations require the following: *15.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the council, or duly delegated committee.*	*The council need to review the current level of fidelity insurance as it does not cover maximum projected cash and bank balances.*	
3	The amount of the precept request for 2022/23 is not recorded in the full council minutes which is a requirement of the Local Government Act 1992 as the February 2023 council meeting agreed the precept but did not state the full monetary amount of the precept just the council tax band.	*The amount of precept requested must be stated in the council resolution of the minutes where the precept was decided.*	**Implemented**
4	Staff costs in the AGAR annual return includes the following cost	*The council must ensure that Rialtas coding structure is set up to only consolidate payroll costs into the Staff Costs figure for the AGAR accounts.*	**Implemented**

	ISSUE	RECOMMENDATION	FOLLOW UP
	centres non-payroll expenditure on the Jubilee - £1,057 Rialtas code 4734 135 Queens Jubilee - £210 Rialtas code 4734 136 Queens Jubilee - £251 Rialtas code 4734 200 Queens Jubilee		
5	**Recurring Recommendation** The risk assessment does not address the risks of supplier fraud. The supplier fraud risks can be managed via appropriately robust policies and procedures. Examples of prevention actions include: - training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information. - establish a rigorous change of supplier details procedure - where a supplier has purported to have	*The risk assessment should be updated to include supplier fraud including the adequacy of supplier onboarding controls.*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
	changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change - periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments. - checking address and financial health details with Companies House - checking samples of online payments to supplier invoices to ensure the payment has been made to the supplier bank account		
6	A petty cash payment was made in September 2022 for £50 for which no receipt was secured and retained.	*Petty cash vouchers/invoices should be secured and retained for all petty cash payments.*	**2023/24 follow up – no further petty cash issues identified.**

	ISSUE	RECOMMENDATION	FOLLOW UP
2022/23 Second interim internal audit			
1	Balances have increased materially from the low levels in 2019, however, there is no established Investment Strategy and Treasury Management strategy in accordance with the LGA 2003.	*The council should establish an Investment Strategy and Treasury Management Strategy with reference to the requirements of the Local Government Act 2003.*	**Recommendation Outstanding**
2	Annual pay rises are notified to the payroll agent via an email from officers.	*The Chair should either email the annual officer pay rise information to the payroll agent, or a scanned letter from the Chair should be sent to the agent confirming the annual officer pay rises.*	**Recommendation Outstanding**
3	Review of Policies: - The current procedures for gifts and hospitality requirements at the council are those included in the adopted Code of Conduct which covers members only. - There is no current expenses policy in place covering officers and members	*The council gifts and hospitality policies should cover officers as well as members.* *The council should consider adopting an expenses policy that coves both officers and members.*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
4	There is no income collection/debt write off policy to ensure there is an agreed consistent approach to income collection and the procedures to follow with older debts including write offs. Aged debtor reports are not reported to the Finance, Policy and Governance Committee to provide management information about the age profile of debtor balances.	*The council should consider establishing an income collection/debt write off policy to ensure a consistent approach to debtors.* *Management information provided to council could be improved by providing the Rialtas aged debtor report at least annually to the Finance Committee so they can review income risks in terms of whether the levels of older debtors is significant.*	**Recommendation Outstanding**
5	Feedback to our interim internal audit questionnaire item regarding Public Contract Regulations indicate no officers had received training in the requirements.	*The council need to ensure staff involved in procurement are aware of the requirements of the Public Contracts Regulations 2015 regarding publishing information about contract opportunities and awards, over certain value thresholds, on the Contracts Finder website. In addition, officers need to be aware that the Public Contracts (Amendment) Regulations 2022 came into force on 21 Dec 2022 (refer to Action Note PPN 01/23 Procurement Policy Note – update to legal and policy requirements to publish procurement information on Contracts Finder).*	**Recommendation Outstanding**

	ISSUE	RECOMMENDATION	FOLLOW UP
2022/23 First interim internal audit			
1	The monthly straight line maintenance charge for one of the contracts tested did not agree to the signed service SLA. In addition, the SLA did not stipulate that watering changes were in addition to the straight line SLA, however, watering had been charged as an addition in one invoice tested.	*Recurring Recommendation* *The council should investigate the incorrect pricing we identified and ensure processes are improved to prevent this recurring. The next invoice to the customer (identified in our sample with the incorrect price charged) should reflect the correction of the pricing error.* *The council must ensure that SLA terms and conditions are clear as to what is included in the monthly straight line charge, and what items will be charged as additional services.* *As this is a recurring issue a sample check of contract SLAs with invoices should be added to the regular councillor checks carried out.*	**2023/24 follow up** Management and checks of the contract SLAs and pricing spreadsheet is now carried out by the Public Realm Officer/RFO. All baseline and additional works are included on the contracts spreadsheet with the following: • Quote no • Date issued • Work accepted /not accepted • PO Issue date • Work completed date • Invoice date • Money received Recommendation Outstanding – no sample checks of income undertaken by councillors to date.
2	A duplicate payment was made to a supplier for £2881.2 in September 2022. The overpayment has now been fully refunded.	*The council should implement improved internal controls to prevent duplicate payments.*	**2023/24 follow up – no further duplicate payments identified.**

	ISSUE	RECOMMENDATION	FOLLOW UP
3	The quotations spreadsheet is a key contract management document. Currently the clerk reviews this periodically, for instance, to assess whether a sample of quotations accepted have been invoiced. We reviewed the current quotation spreadsheet and identified that there are a significant number of quotations listed but with no action or outcome recorded against them.. There could be a number of reasons for this, for instance, the quotation was not accepted, the quotation was accepted but the council has not resourced delivery, the quotation was accepted and the job delivered but has not to date been invoiced etc. Therefore, by not recording actions or outcomes against every quotation, there is a risk that jobs may not be delivered on a timely basis or resourced efficiently, or completed and not invoiced.	*The clerk should programme a regular review of the quotations spreadsheet and this should be evidenced by a dated signature.* *Officer resource should be allocated to follow up and record actions/outcomes against all quotations in the spreadsheet with no current information recorded.*	**2023/24 follow up** The SLAs and invoices are checked by the Public Realm Manager and RFO. The Chief Officer also checks invoices and SLAs on a regular basis.

	ISSUE	RECOMMENDATION	FOLLOW UP
4	A ‘clocking in’ machine was purchased by card on 05/09/2022 for £227. This is a fixed asset but current procedures do not review card purchases for capital additions to be included in the fixed asset register.	*All card expenditure should be reviewed to ensure capital additions are identified and included in the fixed asset register.*	**2023/24 follow up – no further fixed asset issues identified.**
2021/22 and earlier outstanding recommendations			
1	The risk assessment does not address the risks of supplier (procurement) fraud.	*The risk assessment should be updated to include supplier (procurement) fraud including the adequacy of supplier onboarding controls.*	**Recommendation Outstanding – see 2022/23 issues**
2	The council is party to a number of contracts with varying lengths and conditions.	*The council should establish a contracts register which should be regularly reviewed to identify those contracts where the upcoming end date signifies that a tender or quotation process is required, or whether a decision is needed regarding an extension which is provided for in the contract terms.*	**Recommendation Outstanding**

Report to : AGM

Meeting Date : **19th May 2025**

Agenda Item : **11**

Prepared By : Chris Shaw

Subject : **AGAR**

Background

After each year end NTC must complete the Annual Governance and Accountability Return. This must be returned to PKF Littlejohn LLP, they carry out an external audit further to NTC providing documentation and information they request.

Attached is the AGAR which has been completed by NTC and the internal auditor

The documentation requested by PKF Littlejohn will be sent over in the next few weeks.

Once all the information has been checked by PKF Littlejohn they will complete Section 3 of the AGAR and send this back to us for NTC to display on the website and notice board.

Members to approved AGAR figures attached.

Decision of the Council is requested

Chris Shaw

Chief Officer

DECLARATION OF NO ACCOUNTS

Annual Governance and Accountability Return 2024/25 Form 1

ONLY to be completed by PARISH COUNCILS AND OTHER SMALLER AUTHORITIES* (other than Parish Meetings) that are able to declare that they have had NO FINANCIAL TRANSACTIONS in the year of account 2024/25 and can certify themselves exempt from a limited assurance review.

Guidance notes on completing Form 1 of the Annual Governance and Accountability Return 2024/25

Smaller authorities that have had no financial transactions in the year of account 2024/25 **must**

1. Complete the attached **Declaration of No Accounts and Certificate of Exemption** following a meeting of the authority after 31 March 2025
2. Return a copy to the external auditor **either** by email **or** by post (not both) **no later than 30 June 2025.** The external auditor only notes that the authority has certified itself as exempt from a limited assurance review
3. Publish on the authority website/webpage a copy of the **Declaration of No Accounts and Certificate of Exemption BEFORE 1 July 2025**
   Note: It is a legal requirement that you do so. Smaller authorities are required by the Accounts and Audit Regulations 2015 and the Transparency Code for Smaller Authorities to publish certain documents on a public website/webpage.

Please note that the authority cannot complete this Form 1 Declaration of No Accounts and Certificate of Exemption if the authority:

- either received income or incurred expenditure in the year ending 31 March 2025; or
- was issued with a public interest report or received a statutory recommendation in relation to the year ending 31 March 2024; or
- was not in existence before 1 April 2021

In those circumstances, the authority **must** complete an Annual Governance and Accountability Return Form 2 or Form 3 as appropriate.

If the authority is a Parish Meeting it must complete an Annual Governance and Accountability Return Form 1PM, Form 2PM or Form 3PM as appropriate.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

**for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014*

Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices, can be downloaded from **www.nalc.gov.uk**

Declaration of No Accounts and Certificate of Exemption – AGAR Form 1

To be completed by all smaller authorities other than Parish Meetings that are able to declare that they had **no financial transactions** in the year of account 2024/25 and can certify themselves exempt from a limited assurance review.

Northwich Town Council

www.northwichtowncouncil.gov.uk

1. I confirm that the above named smaller authority neither received any income nor incurred any expenditure* and had no financial transactions to record in the books of account in the year ended 31 March 2025.

   Yes ☐ No ☑

   Note – if you answer NO you **must** complete an Annual Governance and Accountability Return 2024/25, either Form 2 or Form 3, and not this certificate.

2. Total annual gross income for the authority 2024/25 (if NIL enter 0) — ENTER AMOUNT £00.00
3. Total annual gross expenditure for the authority 2024/25 (if NIL enter 0) — ENTER AMOUNT £00.00
4. I confirm that the balance held as at 31 March 2025 is (Insert total from all bank statement(s) + petty cash) — ENTER AMOUNT £00.00
5. I note that it is a **statutory requirement** that Parish Councils and other smaller authorities must publish **before 1 July 2025** on a public website/webpage a copy of this Certificate to inform local electors that there were no financial transactions during the year ending 31 March 2025.

By signing this **Declaration of No Accounts and Certificate of Exemption** I also confirm that:

- The authority was in existence on 1st April 2021
- In relation to the preceding financial year (2023/24), the external auditor **has not:**
  - issued a public interest report in respect of the authority or any entity connected with it
  - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
  - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
  - commenced judicial review proceedings under section 31(1) of the Act
  - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

Signed by the Chair or Responsible Financial Officer (RFO) of the Authority	I confirm that this Certificate of Exemption was approved by this authority on this date:
SIGNATURE REQUIRED	DD/MM/YYYY
Date: DD/MM/YYYY	as recorded in minute reference: MINUTE REFERENCE

Name and address of Chair or RFO of the Authority

ENTER NAME AND ADDRESS OF CHAIR OR RFO OF THE AUTHORITY

Telephone number	Email of Authority
01606 41510	finance@northwichtowncouncil.gov.uk

ONLY a copy of this Certificate of Exemption should be returned EITHER by email OR post (not both) as soon as possible after completion, but no later than 30 June 2025 to your external auditor:

PKF Littlejohn LLP (Ref: SBA Team),
15 Westferry Circus,
Canary Wharf, London E14 4HD **sba@pkf-l.com**

* Income or expenditure includes any items of £1 or more.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2024/25

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2025.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- **You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements **(Section 2, page 5)**. An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2024) equals the balance brought forward in the current year (Box 1 of 2025).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2025.**

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including **the dates set for the period for the exercise of public rights**, been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at **31 March 2025** been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? **NB:** do not send trust accounting statements unless requested.		n/a

****Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices***, can be downloaded from **www.nalc.gov.uk** or from **www.ada.org.uk**

Annual Internal Audit Report 2024/25

Northwich Town Council

northwichtowncouncil.gov.uk

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

KEY: IA = Internal Audit

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")*	N/A		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓	except for issues 1.) and	
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations *(during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)*.	✓	6.) in year end IA report.	
N. The authority has complied with the publication requirements for 2023/24 AGAR *(see AGAR Page 1 Guidance Notes)*.	✓		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: 25/01/2025, 11/03/2025 and 28/04/2025

Name of person who carried out the internal audit: JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit: [signature] Ltd

Date: 28/04/2025

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

Northwich Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2025, that:

	Agreed Yes	Agreed No*	N/A	'Yes' means that this authority:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			*prepared its accounting statements in accordance with the Accounts and Audit Regulations.*
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			*made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓			*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓			*during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			*considered and documented the financial and other risks it faces and dealt with them properly.*
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			*arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.*
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			*responded to matters brought to its attention by internal and external audit.*
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓			*disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes:	No:	N/A: ✓	*has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

and recorded as minute reference:

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

Clerk

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Section 2 – Accounting Statements 2024/25 for

Northwich Town Council

	Year ending 31 March 2024 £	Year ending 31 March 2025 £	Notes and guidance: *Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.*
1. Balances brought forward	536,949	442,781	*Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.*
2. (+) Precept or Rates and Levies	561,570	590,000	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	764,157	857,927	*Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.*
4. (-) Staff costs	580,056	668,003	*Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.*
5. (-) Loan interest/capital repayments	0	0	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	839,839	886,356	*Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	442,781	336,349	*Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).*
8. Total value of cash and short term investments	432,056	328,921	*The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – **To agree with bank reconciliation.***
9. Total fixed assets plus long term investments and assets	1,466,598	1,478,000	*The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.*
10. Total borrowings	0	0	*The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).*

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		*The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.*
11b. Disclosure note re Trust funds (including charitable)			✓	*The figures in the accounting statements above exclude any Trust transactions.*

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

I confirm that these Accounting Statements were approved by this authority on this date:

as recorded in minute reference:

Signed by Chair of the meeting where the Accounting Statements were approved

ANNUAL RETURN

FOR THE YEAR ENDED 31 MARCH 2025

Northwich Town Council Current Year

SECTION 2 - THE STATEMENT OF ACCOUNTS

I certify that the accounts contained in this return present fairly the financial position of the council, are consistant with the underlying financial records and have been prepared on the basis of Income and Expenditure.

Responsible Financial Officer		Date	
I confirm that these accounts are approved by the Council and recorded as council minute reference		Dated	
Signed on behalf of the above Council (Chair)		Date	

		Last Year £	This Year £	General Notes for Guidance
1	Balances brought forward	**536,949**	**442,781**	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of the previous year.
2	(+) Precept or Rates and Levies	**561,570**	**590,000**	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3	(+) Total other receipts	**764,157**	**857,927**	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4	(-) Staff costs	**580,056**	**668,003**	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5	(-) Loan interest/capital repayments	**0**	**0**	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6	(-) All other payments	**839,839**	**886,356**	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7	(=) Balances carried forward	**442,781**	**336,349**	Total balances and reserves at the end of the year. [Must equal (1+2+3)-(4+5+6)]
8	Total value of cash and short term investments	**432,056**	**328,921**	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9	Total fixed assets plus long term investments and assets	**1,466,598**	**1,478,000**	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10	Total borrowings	**0**	**0**	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

The following documents should accompany the accounts when submitted to the auditor:

* A brief explanation of significant variations from last year to this year in Section 2;
* Bank Reconciliation as at 31 March