

Claire Connell MA, ACA, CTA

Chartered Accountant and Chartered Tax Adviser

86 Silverdale Road

Earley

Reading RG6 7LT

Tel: 0118 966 9706

Email: accounts@claireconnell.co.uk

The Councillors
Earley Town Council
Council Offices
Radstock Lane
Earley
Reading RG6 5UL

6th June 2023

Dear Ladies and Gentlemen

Internal audit – year ended 31st March 2023

Further to my post year-end visit, I am pleased to report that I have now completed my internal audit review and have signed off the internal audit section of the AGAR for 2022-23 with no comments.

My internal audit was based on the guidelines included in the JPAG Governance & Accountability for Smaller Authorities: A Practitioners' Guide to Proper Practices ("PG"). This includes an assessment of risk and a selective assessment of compliance with the relevant procedures and controls in operation.

I attach a summary of my findings in Appendix 1 which includes those reported in my interim visit. You will note that the wording of assertion K has changed from the wording included in my interim report as the AGAR for 22/23 (published in late March 2023) has updated wording for this assertion. I am now required to consider whether the Council provides all the information required by legislation on its website.

Overall conclusion

The financial records have been well maintained during the year and appear complete and fit for purpose. I did not identify any significant weaknesses in the control systems and procedures and it is clear that the council takes governance, policies and procedures seriously.

Yours faithfully



Claire Connell

Appendix 1: Summary of internal audit findings in 2022-23

<u>Annual Internal Audit Report Section</u>	<u>Objective met?</u>	<u>Comments</u>
A. Appropriate accounting records have been properly kept throughout the year	Yes	ETC uses an accounting package which is specifically designed for parish and town councils. There is a linked Bookings package for invoicing hall and pitch hire.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	Yes	Testing and review of systems shows that expenditure is properly incurred, payments approved and VAT appropriately accounted for. No large contracts were entered into during the year.
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes	Minutes, Standing Orders, Financial Regulations, insurance cover and the Risk Register indicate that there are proper risk assessment and management procedures. Updated Standing Orders were approved in May 2022. The Financial Regulations were re-adopted in July 2022. I understand that an updated Risk Register will be taken to the June 2023 Council meeting.
D. The precept resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes	The budget was set in February 2023 and is calculated using detailed spreadsheets which incorporate reserve movements. Financial updates are regularly provided at the Policy & Resources meetings (and are emailed to all councillors).
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	No issues arose regarding income during my testing.
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes	Amounts paid out of petty cash were few in number and low in value.
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.	Yes	The payroll is run by an external payroll company. One issue regarding the payment of backpay was identified at the interim audit and this was subsequently rectified during the year.
		/continued overleaf

Appendix 1: Summary of internal audit findings in 2022-23 (continued)

<p>H. Asset and investments registers were complete and accurate and properly maintained.</p>	<p>Yes</p>	<p>An adequate fixed assets register is maintained in Excel. This has been updated to reflect additions and disposals of the assets this year.</p> <p>Due to the rules for accounting for fixed assets in town councils, the loss of the Silverdale Centre and Laurel Park has not made a significant difference to the asset register.</p>
<p>I. Periodic and year-end bank reconciliations properly carried out</p>	<p>Yes</p>	<p>Monthly bank reconciliations are reviewed by the Town Clerk and the Chair of the Policy & Resources Committee.</p>
<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</p>	<p>Yes</p>	<p>These assertions have been met.</p> <p>The accounts are prepared on an income and expenditure basis and debtors and creditors are properly recorded.</p>
<p>K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt.</p>	<p>N/A</p>	<p>Not covered – the Council had a limited assurance review of its 2021/22 AGAR</p>
<p>L. The authority published the required information on a free to access website up to date at the time of the internal audit in accordance with any relevant legislation.</p>	<p>Yes</p>	<p>*** The wording of this objective has changed this year ***</p> <p>AGARs for the past five years are available on the website as required by the Accounts and Audit Regulations 2015.</p> <p>Councils are also encouraged to comply with the Transparency Code 2015 (<i>PG 5.73: Parish and town councils with annual turnover in excess of £200,000 should as best practice comply with the Local Government Transparency Code 2015</i>). This Code includes a list of information which should be published on a council website.</p> <p>Much of the information listed in the Transparency Code is already provided on the Earley Town Council website, additional information has been listed in the past year and I understand that it is intended that the few outstanding items will be added during the next year.</p>
		<p style="text-align: right;">/continued overleaf</p>

Appendix 1: Summary of internal audit findings in 2022-23 (continued)

<p>M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.</p>	<p>Yes</p>	<p>Proper opportunity was provided and this was correctly advertised.</p>
<p>N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).</p>	<p>Yes</p>	<p>The correct documents were published before the relevant deadlines.</p>
<p>O. The Council met its responsibilities as a trustee</p>	<p>N/A</p>	<p>Not applicable</p>