

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

29th April 2025

Dear Ladies and Gentlemen

Internal audit – year ended 31st March 2025

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 2024-25 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.

Appendix 1 contains a summary of the audit work undertaken this year. Appendix 2 contains the agreed figures that will be included on the AGAR.

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.

Audit work completed

I have completed the Annual Internal Audit Report within the AGAR prior to the Council approval of the AGAR as my work for the year is now complete. The external auditors have stated that my internal audit report gives important evidence for the Council to consider when completing assertions 2, 6 and 7 on the on the governance statement.

Yours faithfully



Claire Connell

Appendix 1: Summary of internal audit findings in 2024-25

<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. Burials are recorded in bespoke software and invoices raised in Omega.
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. The procedures in place for the procurement of high value items and services were reviewed. There hasn't been any requirement to use Contracts Finder this 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 and the Risk Register indicate that there are proper risk assessment and management procedures. The Risk Register was last reviewed in July 2024. The Town Clerk has again met this year with the insurance broker to ensure that appropriate cover was obtained.
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 2025 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	The following areas were checked: <ul style="list-style-type: none"> • The precept was agreed to Council minutes and bank statements • CIL income was reviewed and agreed to bank statements • Rental income was reviewed • Test checks were made for burial income • Test checks were made for pitch and room hire income. • Allotment income was reviewed • Fishing income was reviewed • The procedures for recording repair café income were reviewed <p>Quarterly VAT returns were reviewed. A partial exemption calculation is prepared on a quarterly basis, with a final annual review.</p>

		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. Supporting receipts are retained and VAT appropriately accounted for. The petty cash is no longer run on an imprest system and top ups for petty cash are obtained by using an ATM.
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. No issues arose during the testing of payroll.
H. Asset and investments registers were complete and accurate and properly maintained.	Yes	An adequate fixed assets register is maintained in Excel. This has been updated to reflect additions and disposals of the assets this year. I understand that the Town Clerk is planning to review the format of the fixed assets register this year and I recommend that serial numbers of assets be added for all new assets and for older assets of significant value.
I. Periodic and year-end bank reconciliations properly carried out	Yes	Monthly bank reconciliations are reviewed by the Town Clerk and the Chair of the Policy & Resources Committee. On a quarterly basis these include the Public Sector Deposit Fund and NS&I income. The year end bank reconciliation was agreed.
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.	Yes	These assertions have been met. The accounts are prepared on an income and expenditure basis and debtors and creditors are 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.	N/A	Not covered – the Council had a limited assurance review of its 2023/24 AGAR
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.	Yes	AGARs for the past five years are available on the website as required by the Accounts and Audit Regulations 2015. 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</i>

		<p>£200,000 should as best practice comply with the Local Government Transparency Code 2015). This Code includes a list of information which should be published on a council website.</p> <p>Most of the information listed in the Transparency Code is already provided on the Earley Town Council website.</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.	Yes	Proper opportunity was provided and this was correctly advertised.
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	Yes	The correct documents were published before the relevant deadlines.
O. The Council met its responsibilities as a trustee	N/A	Not applicable

* * * * *

Appendix 2 – AGAR accounting statement figures

AGAR box number		2023/24	2024/25	Internal auditor comments
1	Balances brought forward	1,713,393	2,332,698	Agreed
2	Precept	1,007,815	1,007,815	Agreed to government central precept record
3	Total other receipts	739,051	369,855	Agrees to records in Rialtas
4	Staff costs	720,155	722,137	Agrees to records in Rialtas
5	Loan interest/ capital repayments	21,316	20,829	Agrees to records in Rialtas and PWLB records
6	All other payments	386,090	421,263	Agrees to records in Rialtas
7	Balances carried forward	2,332,698	2,546,139	
8	Total value of cash and short-term investments	2,320,184	2,567,028	Agrees to bank reconciliations
9	Total fixed assets and long-term investments	2,965,958	2,975,706	Agrees to fixed asset register
10	Total borrowings	200,000	186,000	Agreed to PWLB records
For local councils only		Yes	No	N/A
11a	Disclosure note re Trust Funds (including charitable)		✓	
<i>The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.</i>				
11b	Disclosure note re Trust Funds (including charitable)			✓
<i>The figures in the accounting statements above do not include any Trust transactions</i>				