

# Claire Connell MA, ACA, CTA

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

29<sup>th</sup> April 2026

Dear Ladies and Gentlemen

## **Internal audit for the year ended 31<sup>st</sup> March 2026 – final report**

As a result of my work carried out at the year-end visit, I am pleased to report that I have completed my internal audit review and I agree with the amounts included in the Accounting Statements on the Annual Governance and Accountability Return (AGAR) which will be submitted to the external auditors (as shown in Appendix 2). Appendix 1 summarises the audit work completed this year which was carried out in three stages.

My internal audit was based on the guidelines included in the SAPP Practitioners' Guide 2025, with reference to the 2026 guidelines for Assertion 10. This includes an assessment of risk and a selective assessment of compliance with the relevant procedures and controls in operation.

There are no new matters arising to which I need to draw your attention and no outstanding matters from previous years. It's clear that the Council has reviewed its digital and data compliance thoroughly in the light of the new assertion that has been added to the Annual Governance Statement this year.

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.

Kind regards

Yours faithfully



Claire Connell

## Appendix 1: Summary of internal audit work covered in 2025-26

Assertion on Annual Return	Assertion met?
<b>A. Appropriate accounting records have been properly kept throughout the year.</b>	<b>Yes</b>
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. The records are kept up-to-date and are accurate.  There is a suitable level of reporting to Council.	
<b>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</b>	<b>Yes</b>
Testing and review of systems shows that expenditure is properly incurred, payments approved and VAT appropriately accounted for.  Procurement procedures have been properly followed during the year.	
<b>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>	<b>Yes</b>
Minutes, Standing Orders, Financial Regulations, insurance cover and the Risk Register indicate that there are proper risk assessment and management procedures.  The Risk Register was reviewed in July 2025 and updated again in September 2025.	
<b>D. The precept resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate.</b>	<b>Yes</b>
The reporting of financial results and monitoring of actual against budget was reviewed. Financial updates are provided at Policy & Resources committee meetings and are emailed to all councillors.  The budget setting process for 2026-27 was thorough and included a consideration of ongoing earmarked reserve requirements in addition to the planned budget for the forthcoming year.	
<b>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</b>	<b>Yes</b>
The following areas were checked and no issues arose: <ul style="list-style-type: none"> <li>• The precept was agreed to Council minutes and bank statements</li> <li>• CIL income was reviewed and agreed to bank statements</li> <li>• Rental income was reviewed</li> <li>• Test checks were made for burial income</li> <li>• Test checks were made for pitch and room hire income.</li> <li>• Allotment income was reviewed</li> <li>• Fishing income was reviewed</li> <li>• The procedures for recording repair café income were reviewed</li> </ul>	

Quarterly VAT returns were reviewed. A partial exemption calculation is prepared on a quarterly basis, with a final annual review.	
<b>F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for</b>	<b>Yes</b>
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.	
<b>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.</b>	<b>Yes</b>
The payroll is run by an external payroll company. No issues arose during the testing of payroll. The year end figure included in Box 4 only included staff salaries and associated National Insurance and pension costs as required by the regulations.	
<b>H. Asset and investment registers were complete and accurate and properly maintained.</b>	<b>Yes</b>
An adequate fixed assets register is maintained in Excel. There have only been small movements in fixed assets this year.	
<b>I. Periodic bank reconciliations were properly carried out during the year.</b>	<b>Yes</b>
Bank reconciliations are prepared on a monthly basis and are reviewed by the Chair of the Policy & Resources Committee on a quarterly basis. The March 2026 bank reconciliation hadn't been approved by councillors at the time of my audit visit as the Finance Officer was still waiting for a year-end bank statement from NS&I.	
<b>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</b>	<b>Yes</b>
The accounting statements have been correctly prepared on the income and expenditure basis. They agree to the underlying Rialtas data and debtors and creditors are properly recorded. The outstanding balance from the Public Works Board loan was agreed to the published PWLB year end balances.	
<b>K. If the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.</b>	<b>Not Applicable</b>
This assertion is not applicable to Earley Town Council as its income and expenditure are far in excess of the £25,000 limit for exemption.	

<b>L. The authority published the required information on a website / web page, up-to-date at the time of the internal audit in accordance with the relevant legislation</b>	<b>Yes</b>
<p>The AGARs for the past five years are available on the Council website in accordance with the requirements of the Accounts and Audit Regulations 2015.</p> <p>The Council website has been updated during the year and additional information required by the transparency code has been published.</p> <p>The Council has published a model publication scheme using the template from the ICO and associated the guide to information is also published on the website.</p>	
<b>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</b>	<b>Yes</b>
<p>The exercise was advertised on the website in advance of the period commencing.</p> <p>The exercise was carried out for the correct number of days and included the first 10 working days of July as required</p>	
<b>N. The authority has complied with the publication requirements for the prior year AGAR</b>	<b>Yes</b>
<p>The Council correctly complied with the publication requirements for the AGAR.</p> <ul style="list-style-type: none"> <li>• The notice for the period for the exercise of public rights together with signed copies of Sections 1 &amp; 2 of the AGAR were published before 1<sup>st</sup> July 2025.</li> <li>• The Notice of conclusion and the final version of the AGAR including the completed section 3 of the AGAR were published before 30<sup>th</sup> September 2025.</li> </ul>	
<b>O. The authority has complied with laws, regulations &amp; proper practices relating to digital and data compliance.</b>	<b>Yes</b>
<p>The Council has completed a review of digital and data compliance following the addition of Assertion 10 to the Annual Governance Statement.</p> <p>An IT policy is in place and website accessibility has been checked.</p> <p>Policies relating to data protection and privacy are also in place.</p>	
<b>P. Trust funds – the council met its responsibilities as a trustee</b>	<b>Not applicable</b>
The Council does not act as a trustee for any trust of charity.	

**Appendix 2 – AGAR accounting statement figures**

AGAR box number		2024/25 £	2025/26 £	Internal auditor comments
1	Balances brought forward	2,332,698	2,546,139	Agreed
2	Precept	1,007,815	1,058,105	Agreed to government central precept record
3	Total other receipts	369,855	360,673	Agrees to records in Rialtas
4	Staff costs	722,137	751,765	Agrees to records in Rialtas
5	Loan interest/ capital repayments	20,829	20,343	There is currently no borrowing
6	All other payments	421,263,	381,308	Agrees to records in Rialtas
7	Balances carried forward	2,546,139	2,811,501	

8	Total value of cash and short-term investments	2,567,028	2,790,688	Agrees to bank reconciliations and bank statements
9	Total fixed assets and long-term investments	2,975,706	3,027,443	Agrees to fixed asset register and includes remaining Property Fund investment  The previous year's figure has been restated following the discovery that an asset had been omitted from the fixed asset register
10	Total borrowings	186,000	172,000	Agreed to PWLB statements

For local councils only		Yes	No	
11	Do the figures in the accounting statements above exclude any trust transactions?	✓		<i>For guidance refer to the Practitioners' Guide sections 2.31 to 2.33</i>