



7 Hodder Close, Chandlers Ford, Hants, SO53 4QD.
Tel: 07762 780605 Email: Tim.Light1@hotmail.co.uk

8 December, 2023

The Town Clerk

Wincanton Town Council

Market Place

Wincanton

Somerset

BA9 9LD

Dear Emma

Interim Internal Audit Report

Wincanton Town Council – April 2023 to September 2023

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2023-24 Annual Governance and Accountability Return.

We have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

Wincanton Town Council has income and expenditure of between £400,000 and £450,000 in 2022/2023 and is subject to a limited assurance review by the External Auditor, PKF Littlejohn.

We are pleased to report that the Council had a clean audit in 2022/2023 from the External Auditor.

It is good practice for the Council to comply with the Local Government Transparency Code Regulation 2015.

The Council's accounting records are maintained on RBS Omega Software.

This visit will check and validate the current internal control systems in use at the Town Council. It will check the internal control systems from the previous internal audit work carried out in 2021/2022 and focusses on checking and validating internal control systems in use at the Town Council including transactional elements of the financial accounts.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's website.

It was noted that since the last Internal Audit Visit the Town Council have appointed a new Responsible Finance Officer from the 1 April 2023. The new Responsible Finance Officer had previously been appointed as a locum RFO for the Town Clerk. She is very experienced in the Local Council Sector and continues to offer her knowledge and understanding of the Practitioner's Guide to the Town Council.

We have also noted that the Town Clerk has taken the opportunity to review and ensure that Financial Regulations and Standing Orders remain fit for purpose so that the role of the Responsible Finance Officer duties become an embedded part of the governance of the Town Council.

This may require the Council to approve any changes to content of Financial Regulations and Standing Orders to continue to provide robust systems, good governance and financial security for the Council.

We have noted the Town Council will open a Unity Trust Savings account to transfer some of the bank balances held in the Unity Trust Current Account as this continues to show high balances as at 30 September 2023 of £466,317.77.

The Town Clerk and Responsible Finance Officer are working towards agreeing with the Town Council the sum to deposit in the account. This will be completed by the end of the current financial year.

As all monies are maintained in one bank account it is difficult to separate out the Earmarked and General Reserves position for the Town Council although we understand that the Responsible Finance Officer will be separating out the Earmarked Reserves and will transfer these sums to the Unity Trust Saving Account once it is used.

We have also noted that the Town Council will purchase the Assets module for RBS Omega. This will provide a more robust way for recording all details of those assets owned by the Town Council. It will also aid the Town Clerk when updating the Asset Register when revaluating all of the assets of the Town Council in the near future.

Internal audit checks

We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, Minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Town

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Council's internal control framework. This internal audit report is based on the audit testing carried out at the review.

During this audit we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Investments
- Budget 2023/2024
- Income and expenditure
- VAT claims
- Payroll
- Transparency of the Council website

Findings

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

Good practice that is being followed:

- The Council continues to maintain its books and records on RBS Omega Software.
- Staff remain aware of the requirements of GDPR.
- The Council is registered with the ICO.
- Bank Reconciliations are carried out on a regular basis.
- Details of total payments authorised at meetings are recorded in the Minutes.
- Insurance Cover for the size of the Town Council is appropriate.
- All expenditure items checked can be traced and are recorded correctly in the financial ledger.
- All records continue to be up to date and easy to follow.
- The Council take an active scrutiny role.
- The budgeting process is detailed and monitored.
- The Council remain compliant with the requirements of the Transparency Code 2015.
- Minutes are signed by the Chairman as evidence of decisions taken by the Council.

Recommendations

Financial Regulations and Standing Orders

- Financial Regulations should be reviewed and, where appropriate, amended to ensure the role of the Responsible Finance Officer duties becomes an embedded part of the Governance of the Town Council.

Other matters to be brought to the Council's attention

- The Council have provided evidence of the posting date for the Exercise of Public Rights in 2023 and will be able to tick "Yes" to Assertion 4 on Section 1 (Governance Statement) of the AGAR 2023/2024 to comply with the requirements of the Accounts and Audit Regulations 2015. We will also be able to tick "Yes" to Control Objective M on the Annual Internal Audit Report 2023/2024.

- We note that the risk assessment for 2023/2024 was approved by full Council on 22 May 2023. We are satisfied that the Council can tick “Yes” to Assertion 5 on Section 1 (Governance Statement) of the AGAR 2023/2024 to comply with the requirements for the External Auditor. We will then tick “Yes” to Control Objective C on the Annual Internal Audit Report 2023/2024.
- The Responsible Finance Officer will need to ensure that the Asset Register is kept up to date to record the value of new purchases. This will ensure that the totals reflected in the End of Year figures for Box 9 on Section 2 Accounting Statements are accurate for reporting to the External Auditor. The Asset Register should be reviewed and approved by the full Town Council before the 31 March 2024.
- The Responsible Finance Officer has indicated that the VAT reimbursement claim forms will be sent HMRC on a monthly basis.

Audit Opinion

Based on the tests we have carried out at this interim internal audit, in our view, the internal control procedures in operation are, in all significant respects, adequate to meet the needs of Wincanton Town Council except where we have made recommendations in this report.

Next visit

The next internal audit visit has been arranged for **Wednesday 22 May 2024**.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- Asset Register
- VAT claims
- Budget 2024/2025
- Transparency Code Regulation 2015
- End of Year Procedures

Next Steps

This report should be noted and taken to the next meeting of the Town Council.
The Council should decide what action will be taken on the recommendations we have made.

Tim Light FMAAT
Internal auditor