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Ms Katy Hughes
Town Clerk
Wokingham Town Council
Town Hall
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Wokingham
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4th March 2024

Dear Katy

Internal audit for the year ended 31st March 2024 – interim report

Local councils are required to have an internal audit of their accounting records and their system of internal control by Regulation 5 of the Accounts and Audit Regulations 2015. During my second visit in February 2024 I reviewed further financial systems and controls for the year to date.

As at the previous visit, my internal audit testing was based on the guidelines included in the 2023 edition of Governance & Accountability for Smaller Authorities in England.

A final visit will take place after the year end to review risk management, the year end accounts and related documentation.

General Comments

Specific comments below are in the order of the headings in section 1 of the Annual Return and relate to the work carried out at this visit. Once again, there are no significant matters to draw to your attention and controls remain very strong.

Detailed report

As part of the testing I checked:

A. Appropriate books of account kept throughout the year

- The accounts are maintained on Omega and kept up-to-date. The Bookings and Allotments packages are also used. These packages are adequate for the Council's needs.
- The Committees are provided with reports produced from Omega and a summary in Excel which allows results to be compared against a phased budget and brief commentary added.

B. Expenditure is properly incurred, payments approved and VAT appropriately accounted for

- A further sample of payment invoices was checked to ensure that they had been approved, correctly paid and VAT treated correctly. No errors were found.

- The process for awarding the contract for the new playground surface at Leslie Sears playground was reviewed. This had been advertised on Contracts Finder and the tenders were then scored and a contract awarded.
- Compliance with procurement rules was considered. At the time of my visit, two contracts were out for tender. One had been advertised on Contracts Finder and the other small contract was advertised on the Council website and sent to known contractors. These comply with the financial regulations and legal requirements.

C. Council has proper risk assessment & management procedures

- Council minutes were scrutinised.
- The management of risk was reviewed. There are procedures in place to ensure that the risk register is regularly considered by Council and where appropriate, its committees.

Audit work outstanding:

- Insurance cover will be reviewed at a later visit.

D. The Precept resulted from an adequate budgetary process and suitable financial monitoring

- The budget setting process for 2024-25 was complete at the time of my visit. The process appeared thorough and it included a review of earmarked reserves.
- Final out-turn against budget will be reviewed at the final visit.

E. Expected income was received, recorded and banked; VAT appropriately accounted for

No significant issues arose during the review and testing of income controls. The following income streams were reviewed:

- A sample of hall bookings invoices were checked to ensure the correct hire rates were used and VAT correctly applied
- Allotment rents were reviewed and the correct rates had been used
- Rental income was reviewed. There has been no change to rents charged during the year.
- Information centre income was reviewed
- The monthly VAT returns continue to be submitted on time.

Comments:

- The cash and cheque receipts received via the information centre were difficult to trace to the cashbook and bank statements. Following my visit, I understand that the procedures for banking the cash and cheques have been reviewed and updated.

F. Petty Cash expenditure supported and float controlled

- Petty cash expenditure is small and controlled. Receipts are available to support the expenditure.

G. Payroll is properly prepared, authorised and PAYE/NI requirements fulfilled

- Payroll has continued to be prepared in house using Sage.
- The pay for one month was reviewed to relevant timesheets and expense claims and the calculation of deductions checked. Timesheets and expense claims are authorised by the Town Clerk and mileage payments are correctly treated for tax and pension purposes.
- Rates of pay were checked to ensure that the Performance Related Pay scheme awards had been correctly implemented.

H. The fixed assets register properly reflects the Council's assets

Audit work outstanding:

- The fixed assets register is maintained on an Excel spreadsheet and this will be reviewed after the year end.

I. Periodic and year-end bank reconciliations are properly carried out

- Bank reconciliations are prepared on a timely basis and copies are saved within the accounting software.

J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cashbook, supported by an adequate audit trail and debtors & creditors were properly recorded

Audit work outstanding:

- The accounting statements will be reviewed after the year end.

K. Correct declaration of exemption from limited assurance review in 2022/23

- Not applicable – the Council was subject to a limited assurance review in 2022/23.

L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant legislation.

- 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.
- A new webpage has been added to the website which draws together all the necessary transparency information on one page.

M. The authority, during the previous year (2022/23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations

- The exercise was carried out for the correct length of time and was advertised correctly.

N. The authority has complied with the publication requirements for 2022/23 AGAR

- The external audit certificate and notice of conclusion were published on the website before the deadline.

O. The council met its responsibilities as a trustee of trust funds

- The Council is sole trustee for two charities (King George V playing field and Leslie Sears playing field). The day-to-day management of the land is delegated to WTC and no separate bank accounts are held. WTC subsidises the maintenance of the land as the costs far exceed the income. No funds are held on behalf of the charities.

Comments

- During my visit in February we discussed the advice given within the Practitioners' Guide that a separate bank account be held for the charities, despite the fact that the costs incurred in maintaining the fields vastly exceeds the income and thus the Council heavily subsidises the charities. This will be considered over the next month and a proposal brought to the F&P committee in April.

I trust that these comments are self-explanatory, but please do not hesitate to contact me if councillors would like further details. I should like to thank the Council staff for their assistance during my visit.

Yours sincerely

A handwritten signature in black ink that reads "Claire Connell". The signature is written in a cursive style with a large initial 'C'.

Claire Connell