

Annual Internal Audit Report 2023/24

Winchcombe Town Council

<http://www.winchcombetowncouncil.co.uk/>

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.			✓
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 (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

24/05/2024

Name of person who carried out the internal audit

Rachel Brown

Signature of person who carried out the internal audit



Date

24/05/2024

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

****Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

WINCHCOMBE TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2024, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		✓	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

05/06/2024

and recorded as minute reference:

05062024 ITEM 10B

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

J. R. Mason

Clerk

[Signature]

ENTER WWW.WINCHCOMBETOWNCOUNCIL.CO.UK ADDRESS

Section 2 – Accounting Statements 2023/24 for

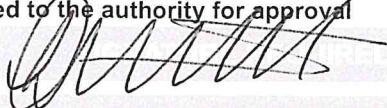
WINCHCOMBE TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	455,151	551,617	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	248,380	253,810	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	114,848	116,136	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	52,267	53,315	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	25,780	25,780	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	188,715	267,325	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	551,617	575,142	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	547,962	561,973	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	3,330,040	3,330,040	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	476,764	476,764	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date

23/05/2024

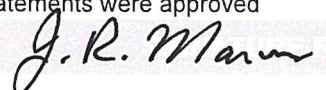
I confirm that these Accounting Statements were approved by this authority on this date:

05/06/2024

as recorded in minute reference:

05062024 ITEM 10C

Signed by Chair of the meeting where the Accounting Statements were approved



CONFIRMATION OF THE DATES OF THE PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

This form is only for use by smaller authorities subject to a review and should not be published on your website

Please submit this form to PKF Littlejohn LLP with the AGAR Form 3 and other requested documentation

Name of smaller authority: Winchcombe Town Council

County Area (local councils and parish meetings only): Gloucestershire

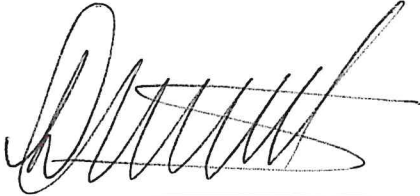
On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on Friday 7 June 2024

and ending on Thursday 18 July 2024

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2024 (i.e. Monday 1 July – Friday 12 July).

We have suggested the following dates: Monday 3 June – Friday 12 July 2024 The latest possible dates that comply with the statutory requirements are Monday 1 July – Friday 9 August 2024.)

Signed:  _____

Role: Clerk

Minutes of a meeting of Winchcombe Town Council Chair - Cllr J Mason, Chair of Finance Committee - Cllr D Gray and the Clerk.

Thursday 6 June 2024, 2pm, AFCC

Internal Audit Review and Actions

Actions Required following internal audit of financial year 2023-24

A full and proper internal audit has not been carried out in previous years. Therefore, the council had been unaware of the full breadth of requirements. This year the council agreed to appoint Rachel Brown as their internal auditor and is committed to delivering on the resulting recommendations and requirements.

Item	Action
Policy reviews to be scheduled annually for: <ul style="list-style-type: none"> • Financial Regulations • Financial & Non-financial Risk Assessment • Standing Orders 	<i>Clerk to create a task list of policies and their due review dates to ensure reviews are not missed.</i>
Policies to be added to Full Council agenda for adoption prior to year end.	<i>Clerk to ensure all reviewed policies are added to the next full council meeting agenda.</i>
Asset Register to be fully updated.	<i>There has never been an Asset Register which has been kept up to date prior to current Clerks appointment. Clerk is currently working on bringing the Asset Register up to date and it was agreed that a draft be presented to the Finance Committee by September 2024.</i>
Asset valuation to be undertaken (then 5 yearly).	<i>Clerk to arrange as soon as Asset Register up to date.</i>
AGAR to be available on WTC website for last five years.	<i>Clerk to action asap.</i>
Grievance & Disciplinary Policy to be drafted and adopted.	<i>It was agreed that the HR Committee will follow this up within this financial year.</i>
Access to Scribe Accounting to be set up for Chairs of Full Council and Finance Committee.	<i>Agreed to action asap with a meeting of the Clerk, Cllr JM and Cllr DG, to enable full review of accounting methods and system, as historic accounting method does not accurately reflect full expenditure, due to expenditure occurring via reserves, rather than being reported through operating budget lines. It was resolved to present a solution to the Finance Committee to change accounting methods to better reflect full expenditure.</i>

	<i>To ensure business continuation in the event of staff absence. Clerk to schedule a session with Cllrs DG and JM.</i>
Quarterly budget reviews by Committees.	<i>This action was discussed with the internal auditor as budget holding committees have already planned to meet quarterly for the remainder of the financial year, and as ongoing standard practice.</i>
Quarterly performance against budget reports to full council.	<i>Clerk to provide collated reports to full council following quarterly budget holding committee reviews.</i>
Bank reconciliations to be reported to full council and signed off by members.	<i>Clerk to include bank reconciliation reports for signing at monthly full council meetings under Accounts for Reporting agenda item.</i>
Adopt the 2015 Transparency Code and ensure information available on website adheres.	<i>Clerk to action asap.</i>
Produce and publish a quarterly report of all expenditure over £500. Identify grant payments.	<i>Clerk to action.</i>
Produce and publish a quarterly report detailing all invitations to tender and contracts with a value of £5000 or greater.	<i>Clerk to action.</i>
Banking – funds only protected under FSCS up to £85,0000.	<i>It was agreed that the Clerk will research alternative banks for potential deposit accounts and present at next Finance Committee for review.</i>
More clearly identify income in the monthly reports to council.	<i>Clerk to action in next Accounts for Reporting.</i>
Set up a cost code for S137 payments (until such time as WTC has full powers of competence restored)	<i>Clerk to action.</i>
Properly minute a discussion of a review of these issues and the actions planned.	<i>This document serves as the minutes of the meeting and the actions agreed.</i>
Include an explanatory letter describing how WTC will address the issues identified when submitting the AGAR.	<i>This document will serve as the explanatory letter.</i>
Publish the above letter of explanation when publishing the AGAR.	<i>Clerk to action.</i>

Meeting closed 2.50pm.