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10 May 2024

The Town Clerk

Kingswood Town Council  
Kingswood Civic Centre,  
High Street,  
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BS15 9TR, UK

#### Interim Internal Audit – April 2023 to March 2024

This is the first internal audit review in 2023/2024 to check that the Town Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England to ensure that compliance is maintained. This review will test compliance against the proper practices set out in Governance and Accountability for Smaller Authorities in England 2022.

An Interim Town Clerk was appointed in May 2023 to oversee the inception arrangement of the new Town Council. The council approved the appointment of a permanent Clerk in October 2023, but this appointment did not take up their post. The Interim clerk left in November 2023 and was replaced by another Interim Clerk in November 2023. They became the permanent Town Clerk/Responsible Financial Officer (RFO) in March 2024.

A planned recruitment of a new Assistant Town Clerk is currently being considered to support the Town Clerk with a view to taking responsibility for some of financial management tasks of the Town Council.

This review checked that the bank account set up with Unity Trust Bank for the Town Council is fit for purpose. We checked if a Reserves and Investment policy has been approved with a view to setting out the longer-term strategy for the Council. **(Audit Note: We are pleased to report that the Town Council has considered and approved an Investment and Reserves strategy to ensure that it maximises its return on investments).**

We note that the Town Clerk has been able to introduce the General Power of Competence in December 2023 at the Town Council as they meet the criteria for this status with a CILCA qualified Clerk and sufficient appointed Town Councillors.

The Council is not a sole managing trustee.

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

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

The Town Council are using RBS Alpha Software for 2023/2024 financial year. All transactions for the year 2023/2024 were recorded on the software and we are confident that its use will provide the Town Council with an effective system to record its financial transactions and budget information.

It was agreed with the Town Clerk and Responsible Financial Officer (Clerk/RFO) that the Internal Audit review would be carried out remotely, but consultations have continued by video link and telephone conference calls. The Clerk/RFO has also provided an RBS Alpha back up for the period to 31 March 2024 to support the current governance and financial management position of the Council.

We have carried out independent audit tests using various financial records, vouchers, documents, Minutes and insurance documentation to ascertain the efficiency and effectiveness of the Town Council's internal control framework.

### **Bank Reconciliations**

- The financial totals as at 31 March 2024 were confirmed and are accurately shown in the management accounts as detailed on the bank reconciliation. ***(Audit Note: The Town Clerk has recently set up a process to sign and date the bank reconciliation. This should be used to agree the balances recorded on the bank statements. It should also be taken to the Town Council for their information).***
- A sample of BACS, direct debits, standing orders, transfers were checked and accounted for in the period 1 April 2023 to 31 March 2024. All income received could be traced and agreed to bank statements for the period 1 February 2024 to 31 March 2024.

### **Income and Expenditure**

- A test check on income and expenditure for the period 1 April 2023 to 31 March 2024 was carried out to ensure details are accurate to the bank statement details for the Town Council.

### **Payroll Information**

- The Contract of Employment was checked and validated to the payroll information for 2023/2024. We also checked to ensure that suitable arrangements are in place to deduct PAYE from gross salary of the Town Clerk during the financial year.
- It is noted that the Town Clerk is paid monthly, and subsequent payments to HMRC for payment of PAYE/National Insurance are in place. The Local Government Pension Scheme has been approved by the Town Council and will be started in 2024/2025.
- We further note that the Town Council have outsourced the payroll function to a payroll provider as approved by the Finance and Administration Committee at their meeting on the 27 February 2024

### **Insurance**

- We have checked and are satisfied that the Insurance arrangements for the Town Council are sufficient for the current size of the Town Council.

### **Transparency Code Regulation 2015**

- We discussed with the Town Clerk the best practice requirements of the Transparency Code 2015 and ICO Publication Scheme and what should be shown on the Town Council website to ensure compliance with the regulation.
- Information should be displayed on the Council website as follows:
  - All policies that have been approved by the Council.
  - A copy of the Asset Register
  - A copy of the latest Risk Assessment
  - A list of payments over £500 should be uploaded to the Council website each quarter.
  - Town Council and Committee agendas and minutes.

***(Audit Note: We are pleased to report that the Town Clerk has uploaded sufficient information to ensure the requirements of the Transparency Code 2015 and ICO Publication Scheme are displayed on the website. This ensures the display governance documents plus financial management information is available for reference to the stakeholders and the community).***

### **Accounts and Audit Regulations 2015**

- We further discussed the publication requirements needed to be displayed on the Town Council website once the submission of the Annual Governance and Accountability Return 2023/2024 is submitted to the External Auditor. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

#### **Before 1 July authorities must publish:**

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- Section 1 - Annual Governance Statement, approved and signed
- Section 2 - Accounting Statements, approved and signed

#### **Not later than 30 September authorities must publish:**

- Notice of conclusion of audit
- Section 3 - External Auditor Report and Certificate
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.

***(Audit Note: We recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report).***

### **Town Council Website -Website Accessibility Statement**

- A Website Accessibility Statement had been uploaded and displayed on the Council Website to publish the requirements of the Website Accessibility Regulation 2018.

### **Minutes of the Town Council**

- Minutes of the Town Council are held on the Town Council website and Town Clerk has ensured that a full set are held on file. These are signed by the Chairman of the Town Council to agree the details are an accurate record of the proceeding and debate of the Council meetings. ***(Audit Note: The Council are reminded that each page of the Council minutes should be initialled to confirm the accuracy of the information recorded in the Minutes).***

### **Other matters to be brought to the Council's attention**

- We have noted that a VAT reimbursement claim will be submitted to HMRC for the period April 2023 to March 2024. In future we recommend that VAT claims should now be submitted on a quarter basis in 2024/2025.
- The budget 2024/2025 has been prepared by the Town Clerk which reflects the increases in staff costs and the management agreements. The Town Council should review budget and actual

figures on a regular basis to ensure all income and expenditure is correctly identified. All budget report information will be produced by the Town Clerk. If Councillors require further details on budget matters, they should request this direct from the Town Clerk.

- Although the Town Council have considered a Risk Management Policy at its meeting in March 2024 it did not produce a risk assessment document to consider and approve all its risks by the 31 March 2024. We understand that these will be approved at the Town Council during 2024/2025.
- As these risks were not reviewed and approved in 2023/2024 the Town Council should tick “No” 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 “No” to Control Objective C on the Annual Internal Audit Report 2023/2024. This will be resolved in 2024/2025.
- The Clerk will be updating the Asset Register to record new purchases and Asset transfers for 2024/2025 and this should be presented, approved and Minuted by the Town Council before the 31 March 2025. For 2023/2024 the Council can tick “Yes” to Section 1, Assertion 6 on the Annual Governance Statement on the AGAR 2023/2024. We will be able to tick “Yes” to Control Objective H on the Annual Internal Audit Report 2023/2024.

#### **End of Year Procedures 2023/2024**

- A full check was carried out on the End of Year documentation provided by the Clerk/RFO to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of a bank reconciliation as at 31 March 2024 and explanation of significant variances for 2023/2024 which shows no previous financial history as a new Council and the validation of Section 2 of the AGAR Accounting Statements as required by the External Auditor.
- The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light FMAAT.

#### **Next Steps**

This report should be noted and taken to the next meeting of the Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Letter Report should also be Minuted by the Council.

Tim Light FMAAT  
Internal auditor