

# Annual Internal Audit Report 2023/24

EN Newbury Town Council

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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.		N/A	✓
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")		N/A	✓
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).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.		✓	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

Name of person who carried out the internal audit

28/09/2023

03/01/2024

21/03/2024

Susan Cook for Auditing Solutions Ltd

+ 11/04/2024

Signature of person who carried out the internal audit

SIC  REQUIRED

Date

23/04/2024

\*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:

EN Newbury Town Council TY

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' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
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.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
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	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
		✓		

**\*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:

08/05/2024

and recorded as minute reference:

MINUTE REFERENCE 93

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

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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## Section 2 – Accounting Statements 2023/24 for

## EN Newbury Town Council

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	1,241,380	1,152,402	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	1,180,623	1,272,879	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	Restated 324,757	587,800	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	488,756	571,090	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	Restated 1,105,602	1,135,251	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	1,152,402	1,306,740	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	1,149,392	1,345,902	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	6,096,089	6,134,571	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	0	0	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

*R. Manslip* REQUIRED

Date

03/05/2024

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

08/05/2024

as recorded in minute reference:

MINUTE 94 REFERENCE

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

SIGNATURE REQUIRED

*[Signature]*

## Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree column headed “Year ending 31 March 20xx” in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a credit and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative numbers.

Name of smaller authority: Newbury Town Council

County area (local councils and parish meetings only): West Berkshire

### Financial year ending 31 March 2024

Prepared by (Name and Role): Liz Manship, Responsible Financial Officer

Date: 10/04/2024

	£	£
<b>Balance per bank statements as at 31/3/24:</b>		
Current Account <span style="float: right;">account 1</span>	26,808.85	
Instant Access Account <span style="float: right;">account 2</span>	288,777.95	
CCLA Account <span style="float: right;">account 3</span>	530,314.70	
Fixed Term Interest Accounts <span style="float: right;">account 4</span>	500,000.00	
<span style="float: right;">account 5</span>		
<span style="float: right;">account 6</span>		
<span style="float: right;">account 7</span>		
<span style="float: right;">account 8</span>		
	1,345,901.50	
Petty cash float (if applicable)		0.00
Less: any unpresented cheques as at 31/3/24 (enter these as negative numbers)		
None <span style="float: right;">item 1</span>		
<span style="float: right;">item 2</span>		
<span style="float: right;">item 3</span>		
<span style="float: right;">item 4</span>		
[add more lines if necessary] <span style="float: right;">item 5</span>		
<span style="float: right;">item 6</span>		
<span style="float: right;">item 7</span>		
<span style="float: right;">item 8</span>		
		0.00
Add: any un-banked cash as at 31/3/24		
None <span style="float: right;">[ ]</span>		0.00
<b>Net balances as at 31/3/24 (Box 8)</b>		<b>1,345,901.50</b>

## Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

Newbury Town Council

County area (local councils and parish meetings only):

West Berkshire

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
<b>Box 7: Balances carried forward</b>		<b>1,306,740.38</b>
Deduct: Debtors (enter these as negative numbers)		
Debtors	(5,272.98)	
VAT Control	(46,839.76)	
	(52,112.74)	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)		
Prepayments	(16,417.89)	
Refundable Franking Deposit	(300.00)	
	(16,717.89)	
<b>Total deductions</b>		<b>-68,830.63</b>
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
Creditors	56,701.59	
Allotment Key Deposits	9,065.00	
Rent Deposits	6,375.00	
Wedding holding deposits	499.98	
Accruals	7,544.39	
Changing Room Key Deposits	100.00	
	80,285.96	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
Allotments Receipts in Advance	27,705.79	
	27,705.79	
<b>Total additions</b>		<b>107,991.75</b>
<b>Box 8: Total cash and short term investments</b>		<b>1,345,901.50</b>

**Explanation of variances – pro forma**

Name of smaller authority: **Reading Town Council**  
 County, area, local council and ward: **Reading, East Berkshire**

Insert figures from Section 2 of the AGAR in all **Blue** highlighted boxes

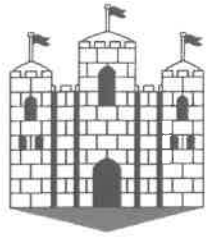
Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- New from 2020/21 onwards: variances of £100,000 or more require explanation regardless of the % variation year on year.

	2022/23 £	2023/24 £	Variance £	Variance %	Explanation Required?	Explanation from smaller authority. Must include narrative and supporting figures																																								
1 Balances Brought Forward	123,906	1,162,402																																												
2 Precept or Rates and Levies	1,178,423	1,272,217	92,296	7.81%	NO	Explanation of 92,296 from 2022/23 operating budget for precept. Further support provided below and separate query.																																								
3 Total Other Receipts	228,757	587,800	263,043	81.00%	YES	<table border="1"> <thead> <tr> <th></th> <th>2022/23</th> <th>2023/24</th> <th>Reason</th> </tr> </thead> <tbody> <tr> <td>16814</td> <td>16983</td> <td>2023/24</td> <td>2022/23 2023/24</td> </tr> <tr> <td>80460</td> <td>89412</td> <td>2023/24</td> <td>2023/24: 1. manager (maternity leave) plus cover.</td> </tr> <tr> <td>82763</td> <td>94669</td> <td>2023/24</td> <td>2023/24: 1. manager (maternity leave) plus cover.</td> </tr> <tr> <td>84011</td> <td>104273</td> <td>2023/24</td> <td>2023/24: 1. officer (maternity leave) plus cover.</td> </tr> <tr> <td>46985</td> <td>67115</td> <td>2023/24</td> <td>2023/24: 1. manager (maternity leave) plus cover.</td> </tr> <tr> <td>41211</td> <td>59429</td> <td>2023/24</td> <td>2023/24: 1. officer/long-term sick. Variance due to sick and severance pay, plus temporary/staff cover.</td> </tr> <tr> <td>116762</td> <td>137610</td> <td>2023/24</td> <td>2023/24: CEO overtime to manage finances, supported by finance clerk, 2023/24 mth St. Finance manager appointed &amp; finance clerk leaves. CEO leaves 3mths short of 2023/24 year-end.</td> </tr> <tr> <td>20890</td> <td>0</td> <td>2023/24</td> <td>2023/24: Democratic Services Officer leaves. Not replaced.</td> </tr> <tr> <td>468796</td> <td>677090</td> <td>2023/24</td> <td>2023/24</td> </tr> </tbody> </table>		2022/23	2023/24	Reason	16814	16983	2023/24	2022/23 2023/24	80460	89412	2023/24	2023/24: 1. manager (maternity leave) plus cover.	82763	94669	2023/24	2023/24: 1. manager (maternity leave) plus cover.	84011	104273	2023/24	2023/24: 1. officer (maternity leave) plus cover.	46985	67115	2023/24	2023/24: 1. manager (maternity leave) plus cover.	41211	59429	2023/24	2023/24: 1. officer/long-term sick. Variance due to sick and severance pay, plus temporary/staff cover.	116762	137610	2023/24	2023/24: CEO overtime to manage finances, supported by finance clerk, 2023/24 mth St. Finance manager appointed & finance clerk leaves. CEO leaves 3mths short of 2023/24 year-end.	20890	0	2023/24	2023/24: Democratic Services Officer leaves. Not replaced.	468796	677090	2023/24	2023/24
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4 Staff Costs	448,194	571,086	82,334	16.85%	YES																																									
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO																																									
6 All Other Payments	1,106,697	1,178,213	29,649	2.68%	NO																																									
7 Balances Carried Forward	32,402	1,306,240																																												
8 Total Cash and Short Term Investments	1,428,002	2,024,002																																												
9 Total Fixed Assets plus Other Long Term Investments and	6,096,056	6,124,371	38,482	0.63%	NO																																									
10 Total Borrowings	0	0	0	0.00%	NO																																									

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable



# NEWBURY Town Council

PKF Littlejohn LLP  
15 Westferry Circus  
London E14 4HD

18<sup>th</sup> June 2024

Dear Sir / Madam

## **Re: External Audit 2023/24 for Newbury Town Council**

I am writing with additional information to support the audit of our end of year accounts:

### **Annual Internal Audit Report – Internal Control Objective ‘O’ & Section 1 – Annual Governance Statement 2023-24 – Assertion 9 – Trust Funds.**

The Internal Auditor and the Council have ticked ‘no’ against Objective ‘O’ and Assertion ‘9’ respectfully, to confirm that the Council has not met all of its responsibilities as a Trustee.

The reason is in respect to the requirement for the Charity’s annual return to be received by the Charity Commission by 31/01/24. Regretfully there was a delay in our submission, associated with a change in staffing. This matter has been corrected, 16/04/24, and the annual return since uploaded to the Charity Commission’s website. The Council has met its responsibilities in all other matters.

### **Section 2 – Accounting Statements 2023/24**

In 2022/23 the Charity accounts were included within the Council’s accounts. This has since been corrected and I can confirm that the Charity accounts have not been included in the Council’s 2023/24 accounts.

The Council’s accounts for 2022/23 have been restated on the AGAR to exclude the Charity accounts.

If you have any questions, please do not hesitate to contact me.

Yours faithfully

Liz Manship, Responsible Financial Officer  
[Liz.manship@newbury.gov.uk](mailto:Liz.manship@newbury.gov.uk)

Town Hall, Market Place, Newbury, RG14 5AA

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**Newbury: a town we can  
all be proud of**