



Wilton Town Council

Internal Audit Report 2024-25 (Final Review)

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For and on behalf of
Auditing Solutions Ltd

Background

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken for our 2024-25 audit of the Council which took place on December 4th 2024 and 29th May 2025, together with our preparatory work. We wish to thank the Clerk for providing the information to facilitate our review.

Internal Audit Approach

In completing our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential miss recording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover is designed to afford appropriate assurance that the Council has robust financial systems in place that operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' which is part of the Council's AGAR and requires independent assurance on specified internal control objectives.

Overall Conclusion

Based on the work completed, the Council operates reasonable financial systems, our detailed findings are set out in the following sections. We have duly signed the Internal Audit Section of the AGAR assigning positive assurance against the control objectives, except in relation to the information posted on the website, referred to in the section below headed Corporate Governance.

We ask that Members consider the content of this report and acknowledge that the report has been reviewed by Council.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

The Council uses the Rialtas accounting software to maintain its accounting records. The Council has three bank accounts with Lloyds Bank; the Instant Access Account, the Treasurer's Account and the Debit Card Account with the transactions recorded in a combined cash book on the Rialtas system.

Our objective in this area is to ensure that the accounting records are being maintained accurately and in a timely manner and that no anomalous entries appear in the cash book or reconciliations. We have consequently:

- Verified that the closing balances for the financial year 2023-24 have been rolled forward correctly in the Rialtas accounting system to 2024-25;
- Ensured that an appropriate Cost Centre and Nominal Account Coding Schedule remains in place;
- Confirmed the Rialtas accounting system is in balance overall, based on the back-ups supplied for our two reviews. This was done by running a data check to confirm the trial balance agreed to the nominal ledger;
- Reviewed the report of the External Auditor on the 2023-24 accounts to confirm there were no matters raised requiring our follow up;
- Sample tested the bank reconciliations for the cash book agreeing it to the bank statements at 31st May, 30th June, 30th September and 31st October 2024 and 28th February and 31st March 2025. We then checked the June, October and March transactions between the bank statements and the cash book and checked the inter-bank account transfers in these three months; and
- Agreed the bank balances to the amount reported in the year-end AGAR section two line eight.

Conclusions

The Rialtas Ledger is in balance. We note that details of the bank reconciliations are reported to Members and that the Clerk and the Mayor sign the reconciliations.

We noted there were some 'negative' unpresented cheques on the reconciliation. The main one, for £4,035, is where officers duplicated payments to Wiltshire Council for NNDR on the Rialta system, although not we understand in actual payment per the bank, ie the actual payments were correct. This error arose from staffing changes. There also were two smaller unpresented cheques with matching credits which need also clearing off the reconciliation. The Officers need support from Rialtas to clear these items on the system. The NNDR adjustment may increase balances by a non-material amount. (The Income & Expenditure Account, however, is showing the correct expenditure).

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place. We have:

- Completed our review of the minutes (as posted on the website) of the full Council and Committees for the financial year to ensure that no issues affecting the Council's financial stability either in the short, medium, or long term exist;
- Noted that the Council continues to keep its governance framework up to date. Full Council approved key regulatory policies and procedures including Standing Orders and Financial Regulations at their meeting on 7th May 2024. We note NALC has recently issued new model guidance on financial regulations;
- Confirmed the Council advertised the audit of its 2023-24 accounts by publishing the notice of public rights; and
- Reviewed the information of the Council website in relation to the required items to be displayed.

Conclusions

The Council has appropriate Governance arrangements in place. We note with regard to the advertising of the 2023/24 accounts, done in the summer of 2024, after our prior year audit, the Council did not comply fully with the timing requirements for the advert and will need to tick 'no' to assertion four of the Annual Government Statement. The approval date was after the start of the period for the exercise of public rights.

At the time of our review the Clerk was updating the website to include details of the latest asset register and payments over £500 in 2024/25. The AGAR also will be uploaded once approved.

Review of Expenditure

Our aim here is to ensure that:

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Appropriate procedures are in place to ensure compliance with the Council's Standing Orders and Financial Regulations with regard to tendering and quotation action;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We discussed with the Clerk the arrangements for processing payments. We note the Council has an approved Policy for On-line Banking Payments which we regard as good practice. Our approach in this area is to understand the control environment, but as we only visit twice a year, we seek to examine a

sample of transactions to gain assurance. We tested a sample of payments selecting from the cash book. Our sample included all payments over £3,000 and randomly every 25th payment and comprised 39 payments plus the regular non domestic rate payments to Wiltshire Council on Town Council properties and totalled £160,715 representing 70% of non-payroll costs in the year to 31st March 2025. All payments in our sample were supported by suitable documentation. We note one payment of £4,079.98 to IdVerde for ground maintenance paid on 17th April 2024. The Clerk advised that this related to an invoice for work done in June 2023, invoice number 10885630, which the Council delayed payment on due to queries. We understand payment was made after clarification had been obtained.

We note the Council ordered work over the £5,000 threshold which requires quotes to be sought. We enquired of two items as a sample:

- Payment to “Sign of the Times” for £13,647.73 for street name signs. The work was formally ordered on 9th July 2024, Order number 44. We understand from discussion with the Clerk that there was a delay on this work as the scope changed. The Council further wanted all the street name signs to look the same and wished to go with the same supplier and did not seek additional quotes; and
- Repairs to Gates, payment to Redlynch Leisure for £8,200.80. Two quotes were obtained and reported to Members the work going to the firm pricing lower. The Clerk we understand sought further quotes, but was unable to obtain additional ones. We have noted similar difficulties at other councils.

We reviewed the Council’s VAT transactions noting the balance due to the Council at 31st March 2024 had been recovered and that the first two quarterly VAT reclaims for 2024-25 had been completed with the funds recovered from HMRC. There has been a delay in recovering the VAT for quarter three. DCK are completing an update of the Council’s VAT Partial Exemption calculation and HMRC are awaiting this before reimbursing the claim. The amount due for quarter three and four was included in the year end debtors and agreed to the Rialtas system.

Conclusion

There are no matters arising from this area of our work requiring formal comment or recommendation. Based on our testing payments are supported by invoices.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition. To this end, we have:

- Examined the Council’s 2024-25 year insurance policy provided by Zurich which ran to 31st March 2025, noting that cover included:
 - Buildings and contents
 - Equipment
 - Business interruption insurance

- Employer's liability £10m
 - Hirer's indemnity £2m
 - Public liability £15m
 - Employee dishonesty £0.5m; and
- Noted the Council has arrangements for regular safety checks on its play areas, which we understand are completed weekly by the grounds maintenance contractor and annually by RoSPA.

The Council considered its Risk Policy at its meeting in May 2024. The Council will be considering an updated version in late July 2025.

Conclusion

The Council has arrangements for managing risk.

Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the value of precept to be drawn down from the Unitary Authority: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise. We note:

- After consideration at Committee level in November the Full Council met on 3rd December 2024 and set the 2025-26 budget and precept agreeing the latter at £247,520. Councillors were provided with a report summarising key issues;
- Members are provided with regular financial information to facilitate budget monitoring including Income and Expenditure accounts and Balance Sheets;
- The main reasons for year-on-year variances in income and expenditure as reported in the AGAR relate to receipt of CIL and grant monies and bank interest and increased spending on repairs and maintenance; and
- At 31st March 2025 total reserves and balances were £416,864. This includes a general reserve of £154,278 and earmarked amounts of £262,586. Spending in 2024-25 was £263,475 or £21,956 a month. The general reserve is covering 7 months spending and is within the normal range we see of 3 to 8 months.

Conclusion

No issues have arisen in this area from our work. The Council has arrangements for managing its finances.

Review of Income

In addition to the precept the Council receives income from grants, burial fees and hire charges relating to the pavilion and sports pitches and from the tenant in the Council's offices, Harvey & Snowden.

We have:

- Agreed the amount of the Precept for 2024-25 from the minutes to the amounts receipted into the Rialtas cash book and to the list of parish precepts issued independently by the Government;
- Confirmed the Council keeps its charges under review;
- For Castle Meadow Pavilion: selected one letting from the booking diary and checked to confirm the booking form was on file and the usage had been invoiced at the correct rate and the income recorded in Rialtas for recovery;
- Tested one interment, which occurred in August 2024. We note it has not been invoiced yet. We note overall the income at the cemetery was higher in 2024-25 compared to the prior year;
- Reviewed and agreed three month's income from the bank statements to the Cash Book; and
- Reviewed the unpaid invoices report in Rialtas.

Conclusion and recommendation

The Council has systems for collecting income.

R1 The Council should invoice for the interment last August and confirm all invoicing is up to date.

Petty Cash Account

The AGAR requires us to confirm arrangements in relation to Petty Cash. The Council does not operate a petty cash account, any out-of-pocket expenses being reimbursed by separate payment as with other trade payments. Therefore, for this control objective in the Internal Audit report in the AGAR, we will note it as not applicable.

Salaries and Wages

In examining the Council's payroll function, we aim to confirm that salary payments are in line with the Council's approved pay rates and that extant legislation is being appropriately observed as regards adherence to the requirements of HM Revenue and Customs (HMRC) legislation in relation to the deduction and payment over of income tax and NI contributions, together with pension contributions in accordance with the latest announced percentage contribution rates.

We discussed controls with the Clerk and note that payroll is processed by a Bureau. The process and controls were minuted by the Staffing Committee in September. In summary the Bureau send the reports to the Clerk who prints them off and files them. The pay schedule shows the total for staff salaries, HMRC and pensions. The bank signatories receive a breakdown of staff pay so they can see each month

and spot changes. The Chair of Staffing comes into the office and checks the paperwork (payslips, pension breakdown and P30). We obtained and sample tested the payroll reports, specifically, we:

- Agreed the payroll reports for the first six months of the financial year to the cash book and the HMRC P30 forms;
- For payroll costs in November checked the calculation of tax, employer's and employee's National Insurance and pension contributions;
- Confirmed that the payment of Toil in April was recorded and approved in the Staffing Committee Minutes; and
- Completed a trend analysis of payroll costs month on month to identify any potential material anomalies.

Conclusion

The Council is maintaining suitable payroll records. At our interim visit we identified the Clerk was making pension deductions of 5.8% whereas the correct band for her pay was 6.5%, this had not been identified by the Payroll Bureau. This has now been corrected.

Fixed Asset Register

The Governance and Accountability Manual requires all councils to maintain a record of all assets owned.

We have reviewed the Council's asset register noting it identifies individual assets and suitably categorises them, for example recording buildings, play equipment, community assets etc. We sample tested additions in 2024-25 to invoices confirming they were correctly included at cost excluding VAT. We have agreed the balance on the fixed asset register to the draft AGAR line 9.

Conclusion

No matters have been identified from this area of our work requiring recommendations, the Council is maintaining its asset register.

Investments and Loans

We note the Council has an investment Strategy as minuted at Full Council in May 2024.

We note the Council transferred cash to the CCLA Deposit fund in April 2024. At our interim stage we agreed the balance reported in Rialtas at October 2024 to the latest CCLA statement. As a sample we confirmed the interest arising on the CCLA deposit for the period August to October from the third-party statements to the Council's Rialtas accounts. At the year-end we agreed the balance reported in Rialtas to the CCLA statement dated 31st March 2025 and confirmed it was reported in the AGAR.

We tested the PWLB loan repayment instalments made during the year to the third party PWLB demand notices. At our final visit we agreed the loan balance reported in Rialtas and the AGAR by reference to the PWLB website register of all outstanding loans as at 31st March 2025.

Conclusion

No issues have arisen in this area of our work. Loans and investments are correctly stated in the AGAR.

Statement of Accounts and Annual Governance & Accountability Return (AGAR)

The Accounts and Audit Regulations, as amended periodically, require all councils to prepare annually a Statement of Accounts, which is now in the form of the Annual Governance and Accountability Return at Section 2, which is, together with the Annual Governance Statement at Section 1, subject to independent external audit examination and certification.

We have agreed the AGAR to Rialtas and to the underlying financial information and reviewed the year end debtors and creditors. We note the Council should have accrued interest from the CCLA investment for March of £1,147, the amount will be included in 2025-26.

Conclusions

We have duly signed off the Internal Audit Report in the year's AGAR providing a copy for the Clerk's necessary further action.

We also take this opportunity to remind the Clerk of the requirements of the guidance notes in the preface to the year's AGAR in relation to the documentation that should be displayed on the Council's website, together with the need to ensure compliance with the timing requirements for publication of the Notice of Public Rights to examine the Council's documentation for the financial year.

Rec. No	Recommendation	Response
Review of Income		
R1	The Council should invoice for the interment last August and confirm all invoicing is up to date.	<i>Response: This will be done.</i>