

## **WOLVERTON & GREENLEYS TOWN COUNCIL INTERIM INTERNAL AUDIT REPORT**

The interim internal audit was carried out on 9<sup>th</sup> December 2021 at the offices of Wolverton & Greenleys Town Council.

### **Work Done**

#### **External auditors report**

- The external auditor's report for year ending 31<sup>st</sup> March 2021 was reviewed.

#### **Review of Meeting Minutes**

- Meeting minutes file reviewed. All minutes for all committees approved and filed.

#### **Payroll**

- September 2021 payroll was selected for testing at random. Wages for five employees were checked.
- Calculations of PAYE, national insurance and pension contributions were checked.
- Employees' gross pay was agreed to the pay scales per 2020-2021 National Salary per SLCC.
- Payments of net wages, PAYE liability and pension contributions were agreed.

#### **Bank Reconciliations**

- The bank reconciliation file was reviewed to ensure that regular reconciliations are being prepared.
- The bank reconciliation for September 2021 was tested to ensure that the reconciliations were being prepared correctly.

#### **Trade Debtors**

- Trade debtors were reviewed for reasonableness and ensured they agreed in total to the Financial Statements.
- A review for potential bad debts was carried out and any credit balances were reviewed.

#### **Trade Creditors**

- The balance for trade creditors was reviewed to ensure that it is reasonable and ensured they agree in total to the financial statements.

#### **Income**

- Selected a sample of bookings for room hire. Agreed to the booking diary, invoice and payment received.
- Selected a sample of receipts of bookings for pitch hire. Agreed to invoice and payment received.

#### **Payments**

- Selected a sample of expenditure from the Purchase Order Sheet, trace through the system and agree back to the original invoice. Ensured that the invoices were correctly posted on Rialtas, and confirmed that payments were approved and the date that the payment cleared.

### **Results**

#### **External auditors report**

- The external auditor, PKF Littlejohn LLP, provided an unqualified opinion on the accounts for the year ending 31<sup>st</sup> March 2021. There were no recommendations of improvements for the forthcoming year. In addition to this there were no further comments that drew any attentions to potential issues that could arise in future financial years.

**Review of meeting minutes**

No points of concern seen.

- In April 2021 an allocation of £500 was to be spent on obtaining hand sanitising hardware and refills for public access in the Town Hall
- On the 22<sup>nd</sup> June 2021 the AGAR for the 2020/21 financial year was accepted and approved by the Council
- On the 28<sup>th</sup> June Andrea Vincent was appointed the new Town Clerk
- On the 28<sup>th</sup> September 2021 there was a restructure to the Finance Committee with the following Councillor's being appointed: Cllr Saunders, Cllr Aiyeola, Cllr Faulkes, Cllr Moss, Cllr Hussain and Cllr Khan

**Payroll**

- Wages calculations were found to be correct and accurate.
- Wages are being paid at the correct pay scale rates which have been approved by the council.
- Payments of wages, pension contributions and PAYE liabilities were being made correctly and on a timely basis.
- It is recommended that new employment contracts should be drafted and updated when NALC releases the new pay scales of the 2021-22 financial year.
- It is recommended that the "Salary Control" account is reviewed on a monthly basis and ensured that the ledger is reconciled. As part of the testing it was identified that the account has not been controlled. For instance in the months of April 2021 (£1,607.85) and August 2021 (£1,201.63) the account was not cleared down correctly. I would suggest that the account is must be looked into and variances investigated and corrected on a monthly basis.
- As part of the PAYE review, in the month of August 2021 a balance of £628.51 was left on the ledger. Normally it is anticipated that the ledger is always cleared down to £Nil after recording the liabilities and processing the payment. Any variances must be investigated on a monthly basis.

**Bank Reconciliations**

- Bank reconciliations are being prepared on a monthly basis. The September 2021 reconciliation was reviewed and found to be prepared correctly.
- It is recommended that the name on the Lloyds Corporate Card is changed to the current Town Clerk – Mrs Andrea Vincent
- It is recommended that the name on the Lloyds Bank Accounts is changed to the current Town Clerk – Mrs Andrea Vincent

**Trade Debtors**

- The current aged debtors listing showed a balance of £1,557.60. Small credit balances relate to deposits received in advance for room hire.
- Debtors are controlled through Rialtas, with all invoices being processed onto the system. The debtors appear to be well controlled with few old balances outstanding.

**Trade Creditors & Accruals**

- Trade creditors were found to be reasonable and up to date.
- All invoices are paid at the end of the month unless there is a query on the invoice, so there are few creditors. The creditors appear to be well controlled.
- The accruals balance was found to be in debit. Any debit balances on the accruals account must be investigated and corrected.

**Income**

- Income receipts tested were agreed to supporting documentation and had been correctly recorded.

**Payments**

- The payments tested were agreed to supporting documentation. They had all been recorded and approved by the Finance Committee.

**Reserves**

[www.hwca.com](http://www.hwca.com)

- It is recommended that the Council review the number of Earmarked Reserves on the balance sheet and to introduce a new policy of earmarked funds



**Conclusion**

In our opinion the council are keeping their books and records in order and are following internal control procedures that they have set up.

*Roger Hammond*

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