

## Section 2 – Accounting Statements 2023/24 for

### WELLS CITY PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	111,564	93,988	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.  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	914,670	1,149,307	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	364,244	862,053	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	766,029	886,035	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	38,695	38,576	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	491,766	567,845	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	93,988	612,892	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	61,990	560,980	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	13,684,267	14,366,503	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	653,121	630,809	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**

*CTH* **SIGNATURE REQUIRED**

Date

12/06/2024

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED



# Annual Internal Audit Report 2023/24

WELLS CITY COUNCIL

ENTER WEBSITE OR E-MAIL ADDRESS  
WWW.WELLS.GOV.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. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			✓
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 <i>(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)</i> .	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
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

13/5/2024 14/5/2024 DD/MM/YYYY

Name of person who carried out the internal audit

DOMINIC BOWE FOR PROBUSINESS LTD

Signature of person who carried out the internal audit

*Dominic Bowe*

Date

6/6/2024

\*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).

### **Additional notes to Wells City Council Internal Audit Report (AIAR) 2023/2024**

We were unable to provide a 'Yes' conclusion to the following area of internal control when providing our assessment on arrangements at Wells City Council. This was follows:

#### **Control Objective I: Periodic Bank Account reconciliations were properly carried out during the year**

While regular bank reconciliations are carried out by the RFO which are subject to independent review and scrutiny by council members, errors have occurred in the recording of the year end balances. Firstly, a small omission of an interest receipt had not been recorded, secondly a separate bank account was not identified although the funds had been accounted for. Both have now been remedied and correctly reported as part of the preparation of the AGAR. We have reminded the RFO of the importance of accurate monthly reconciliations taking place with physical bank statements being compared to cashbook balances. Where necessary, the Council Members reviewing these reconciliations should receive whatever training required to ensure their checks are of a suitable level of accuracy. We are confident that this will not be an issue in the future.



Mr S Luck  
Town Clerk  
Town Hall  
Wells  
Somerset  
BA5 2RB

6 June 2024

Dear Mr Luck,

**Internal Audit of Wells City Council for the year ended 31<sup>st</sup> March 2024**

In accordance with your instructions and acting in accordance with relevant requirements and regulations, we have carried out an internal audit of the accounting systems of Wells City Council for the year ended 31 March 2024.

Our audit was based on the requirements of the Annual Governance and Accountability Return – Annual Internal Audit Report (AIAR). The audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements.

**Audit Opinion**

In our opinion, the Financial Statements have been properly prepared in accordance with current guidelines and the Council's system of internal controls is, overall, adequate and effective.

However, we were unable to confirm the Council's compliance with one of the Control Objectives as set out in the Internal Audit Report. This is Control Objective I.

**Control Objective I: Periodic Bank Account reconciliations were properly carried out during the year**

While regular bank reconciliations are carried out by the RFO which are subject to independent review and scrutiny by council members, errors have occurred in the recording of the year end balances. Firstly, a small omission of an interest receipt had not been recorded, secondly a separate bank account was not identified although the funds had been accounted for. Both have now been remedied and correctly reported as part of the preparation of the AGAR. It is important that monthly reconciliations are reviewed by members of the council, comparing physical bank statements to cashbook balances, as part of its Internal Controls.

**Recommendations to Council**

During our examination, we have identified some matters which, while not affecting our audit opinion, we would like to draw to the Council's attention and to make the following recommendations.

#### Employment Contracts

We note that there were some minor omissions in the recording of changes to employment terms or pay points. Whilst these queries were easily resolved, care should be taken to ensure all staff contracts are kept up to date.

#### Fixed Asset Register

We note that there were no changes made to the fixed asset register although there were some purchases of new or replacement equipment. Included in our recommendations in 2023 was the suggestion that the fixed asset register which historically only itemised land & buildings should be updated to include plant or equipment in line with NALC guidance that all assets used by the authority to deliver its services should be recorded. We have reiterated this suggestion this year and are pleased to report that a new asset register has been produced detailing all council owned assets including high value ceremonial items and artworks. We would encourage the Clerk and RFO to continue to update the register to ensure the council can continue to adequately control its assets.

#### Cash handling/Non-invoiced income

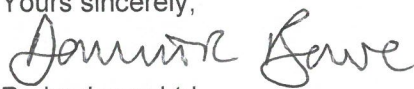
We note that there is no sales ledger in operation to manage the income received from events such as weddings. Whilst such events are only permitted to proceed if prepaid, there is scope for errors in recording income especially those received in cash. We would advise a more formal approach to the bookkeeping for improved transparency and financial control, and more stringent controls over cash balances received to ensure they are banked in a timely manner.

#### Risk Assessment

The Council is required to keep an up to date and comprehensive register of all assessed risks to the Council. This should be reviewed on an annual basis at least and ad hoc if any major changes occur. This risk assessment should be formally adopted by the Council along with Standing Orders, Financial Regulations and other policies. We found evidence that a risk assessment was conducted by the senior management team but not that it had been reviewed by full council. It was agreed with the clerk and RFO that a more comprehensive assessment ought to be carried out this year as the Council faces new challenges posed by its relationship with Somerset's unitary authority. This should then be reviewed and adopted at a Full Council meeting.

The above matters are not sufficient to affect our view that, overall, the Council has adequate controls and procedures in place. We are also of the opinion that, while there was an instance of a control deficiency, the Financial Statements have not been affected by these issues. We would like to thank the Clerk and other team members for their assistance and help in providing materials and explanations as required by our investigations. We are pleased to be able to complete the Internal Audit section of the Annual Return, and return it duly signed.

Yours sincerely,

*for*   
Probusiness Ltd.