

Iain Lynch
Town Clerk

Farnham Town Council

12 April 2023

Dear Iain

Farnham Town Council - Interim Audit 22-23

The internal audit of Farnham Town Council for the 2022-23 financial year is now complete. Interim audits were carried out on 30 November and 22 March. I visited the Council for the year end audit on 12 April.

I am pleased to be able to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for 2022-23 with no comments.

I set out the results of my audit below, with recommendations at Appendix A.

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements– that is the job of external audit.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out in the detailed report, together with the results of my internal audit work for 2022-23. Recommendations identified in the course of my testing are attached at appendix A. These will be followed up at my next audit.

You should now present this report to the next available meeting of Full Council, to assist councillors with the sign off of the Annual Governance Statement.

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✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

A: Books of Account

First Interim Audit

The Council uses the RBS Omega accounting system to report and record the financial transactions of the Council. This is a well-established accounting system specifically designed to be used in the town and parish council sector. A review of the cashbook shows that all data fields are being entered and supporting documentation is easily located from references recorded on the general ledger. Accounting records and all reconciliations tested were up to date at the time of the audit. I checked access controls to the Council's accounting system. I was able to confirm that all access levels were appropriate for the officers concerned.

I have tested the brought forward balances in the accounting system against the audited prior year annual return. There appears to be a small imbalance

Opening balance 21-22	- £1,915,694
Box 7 Audited 21-22 accounts	- £1,916,346
Difference	- £ 652

This imbalance is likely to be due to a small glitch on one or two transactions. This should be examined and the opening balance should be brought back into balance with the 21-22 audited accounts.

At my first visit on 22nd September, I confirmed that the Council's VAT returns were up to date, with the most recent claim for the 3 months to 30 September 2022 submitted to HMRC in November 2022. I checked that balances in the return could be agreed to schedules produced by the accounting system.

The Council received a clear audit certificate from the external auditors in 2021-22, so there is nothing to take forward to the current accounting year.

Second Interim and Final Audits

The issue with the opening balance sheet has been rectified. I was able to agree the revised opening balance sheet to the audited 21-22 accounts at my second interim audit.

The accounting statements have been agreed back to balance sheet and income and expenditure reports produced from the RBS accounting system. All comparatives reported in the financial statements have been agreed back to the audited 2021-22 accounts, as published on the Council website. The final audit was based on the year end annual return report printed from the RBS accounting system on 12 April. The annual return will need to be completed before it is presented to Council for review.

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The Council discussed my interim audit report at the 26 January 2023 meeting of Full Council. I am satisfied that the Council considers recommendations of internal audit, as required by point 7 on the annual governance statement.

I am satisfied that the Council has met this control objective.

B: Financial Regulations & Payments

First Interim Audit

Governance

Financial Regulations were last reviewed and approved at the Full Council meeting in September 2020. These regulations are based on the template provided by NALC and are thus compliant with sector best practice. Standing Orders were revised and adopted in March 2021, and the Members Code of Conduct updated in March 2022.

Expenditure and payments to suppliers

The Council has a clear procedure for making payments to third parties. A payment run is processed each Wednesday by the Council's Bookkeeper, who collates invoices due for payment. These invoices are matched to purchase orders that have been authorised by the relevant budget holder, and countersigned by the Town Clerk.

The invoice is then entered on to the purchase ledger by the Bookkeeper, and is marked as ready for payment. A BACS run is produced by the accounting system, this is checked and loaded into the Council's bank account, where payments sit ready for authorisation by the appointed councillors.

2 councillors are required to authorise each payment. The bookkeeper sends the following information to these councillors by email:

- List of purchase ledger payments from Omega accounting system
- Copy of BACS run from bank account

At each meeting of the Finance Working Group, details of all payments made are made available for inspection by councillors.

This is a robust system, compliant with Financial Regulations and with evidence of separation of duties within the payment process.

I selected a sample of 12 expenditure transactions from the cashbook, and I was able to confirm for all transactions that:

- Transactions could be agreed back to a VAT invoice
- Purchase order was on file, authorised by the Town Clerk and budget holder
- VAT accounting correct

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- Expenditure appropriate for the Council
- For internal bank transfers recorded on the cash book, I checked debits and credits on relevant bank statements.

I have one observation:

- BACS files produced by the accounting system are now in the F drive of the Council's document filing system, which is password protected and restricted to Bookkeeper, Accountant and Town Clerk. I do not believe that BACS files should be retained, there is a small risk that these could be erroneously used. I therefore recommend that the BACS files are deleted once the payment run has been authorised at bank by Councillors.

Second Interim and Final Audits

Non pay expenditure per box 6 to the accounts amounted to £1,185,589 up from £1,045,903 in 2021-22.

The Council reviewed and updated standing orders and financial regulations at the March 23 meeting of Full Council. The Council scheme of delegation was also updated at this meeting.

I tested a further sample of 10 expenditure transactions from the second half of the financial year. Again I was able to confirm

- Transactions could be agreed back to a VAT invoice
- Purchase order was on file, authorised by the Town Clerk and budget holder
- VAT accounting correct
- Expenditure appropriate for the Council

For internal bank transfers recorded on the cash book, I checked debits and credits on relevant bank statements.

I am satisfied that the Council has followed financial regulations in making payments to suppliers in 22-23, and that expenditure has been incurred appropriately.

I reviewed accruals raised at my final audit. As a result of this work I have recommended 2 adjustments to the accruals schedule:

- £8,500 accrual - works on Farnham Flame. This work had not been delivered by 31.3.23 so the accrual should be cancelled and the expenditure coded to 23-24.
- £33,000 – final payment for works at Hale Chapels. This had not been accrued in the initial draft of the accounts. An accrual should be raised, expenditure on this project will then match the addition to the fixed asset register.

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C: Risk Management & Insurance

First Interim Audit

The Council has a risk management strategy in place and monitors and reviews risk on an ongoing basis. This is due to be considered at Strategic Finance Committee in January and will then be reviewed at Full Council in either January or March. The Town Clerk has confirmed that a review is due from the Council's risk consultants, Ellis Whittam, and that this is due before the end of the financial year. I will review the risk assessment at my next audit, but I am satisfied that arrangements are in place to provide proper approval of the risk assessment before financial year end.

The Council is insured by Zurich Municipal, on a standard local authority policy. I reviewed the Council's insurance schedule. The policy was in date, with an expiry date of 30 April 2023. 8 buildings are insured, with an insurance value of £3.7 million. Other assets insured include Christmas lights at £70K, bus stops at £90K and CCTV at £93K. Gostrey Meadow playground is not listed separately on the insurance schedule. The Town Clerk has contacted the insurer and confirmed the playground is included on the public liability insurance. Further confirmation should be sought to ensure playground and other assets are properly insured.

Fidelity insurance cover is set at £2million. This may not be sufficient, given cash and investment holdings of around £3million at the time of my audit (Checked to October 2022 balance sheet) The level of fidelity cover should therefore be raised with the insurer.

Second Interim and Final Audits

The Council reviewed the risk assessment at the Full Council meeting in January 2023, and an appropriate minute was recorded C8/22 (f). The risk assessment is comprehensive and is informed by a general risk assessment completed by an external consultant (Worknest). The risk assessment also includes a financial risk assessment, with details of controls in place to combat inherent financial risks.

I am satisfied that the Council met obligations relating to this control objective.

D. Budget, Precept & Reserves

First Interim Audit

The Council was in the process of finalising the budgets for 23-24 at the time of my audit. The Strategy and Finance group discussed and approved a draft budget at the meeting of 8 December 2022, this was tabled for approval at the Full Council meeting on 15 December. The Town Clerk has shared the budget setting timetable with me and there are clear arrangements in place to ensure that budget and precept will be approved at Full Council on 27 January 2023. All precepting authority deadlines should therefore be met.

I have confirmed that regular budget monitoring reports are issued to the Strategy and Finance Working Group . Quarter 2 outturn report was presented to the October

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meeting and subsequently to Full Council. The following reports are available for examination at this meeting, and are produced each quarter.

- Trial Balance
- Income and expenditure report
- Debtors outstanding
- Statement of investments

The September reports were reported to the October 14th meeting, so financial reporting is timely. I reviewed the budget monitoring report. At the end of period 6 expenditure amounted to around 58% of budget, and income was slightly ahead of budget.

Second Interim and Final Audits

Reserves at 31 March 2023 were £2,041,859 (2021-22 £1,916,346).

The Council set the precept for 23-24 at the Full Council meeting in January 2022, minute C89/22. Precept was set at £1,135,90, a balanced budget was also set. Precepting authority deadlines were met.

General reserves at year end were £529K (prior to decisions on reserves anticipated at April review). This represents 43 % of precept, which is in line with recommended levels set out in the JPAG Practitioners' Guide.

The Council held earmarked reserves of £1.512m at 31.3.23, again prior to the April review. These are held for a number of reasons;

- to support future projects
- to support the Council's fixed asset base
- to set aside funds that can only be used for specific purpose, such as CIL monies or capital receipts.

Earmarked reserves are due to be reviewed at the Strategy and Finance Working Group in April 2023, and it is anticipated that some movements between reserves will be approved at this meeting (eg increase to the elections reserve).

I am satisfied that the Council is managing reserves effectively.

E: Income

First Interim Audit

I selected a sample of income transactions from the cashbook for the first 7 months of the financial year. For all transactions sampled, I was able to confirm the following:

- Cashbook transaction agreed to schedule of deposits received
- Cashbook transaction checked to receipt at bank
- Highest value item agreed to invoice

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- Invoice agreed to relevant schedule of fees and charges or other supporting documentation
- Events invoices agreed to booking records
- VAT accounted for correctly

My sample covered burial fees, food festival , lease income and events income. I am satisfied that the Council is billing accurately and collecting income across all income streams tested. I have one recommendation.

- West Street Market fees and the rent for Wrecclisham Community Centre should be reviewed annually and approved by Council alongside other fees and charges, to ensure compliance with financial regulations.

I have reviewed the Council's debtors ledger. At the time of the audit, debts outstanding stood at £9,469 , virtually all debts were less than 43 days old . The debtors ledger is well managed.

Second Interim and Final Audits

Final Audit

Precept per box 2 to the accounts was £1,231,570 (21-22 £1,169,830). This has been agreed to third party documentation provided by Central Government.

Income per box 3 to the accounts was £683,127 (21-22 £558,809).

A further sample of 10 credits was selected from the Council's cashbook. For all transactions tested I agreed credit to

- Invoice for sales items. These were then agreed back to council approved fees and charges (funerals and markets) or the Investment in Farnham Brochure (Farnham in Bloom income
- Remittance advice notes or donation letter for contributions from third parties
- Debit and credit entries on bank statements for cash transfer between current and investment accounts.

I am satisfied that for all transactions tested I was able to agree credit in the cashbook back to appropriate supporting documentation. The Council is raising invoices in line with approved fees and charges.

The Council has started to make use of a Square card machine to collect income at outside events, and permission to use the machine has been added to the Council's Financial Regulations. The Council bookkeeper downloads reports from Square after each event, and uses these reports to code income collected and administration fees paid to the cashbook.

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I recommend the following :

- The Council should decide whether to recover administrative fees charged by Square when charging customers. This should be added to the annual fees and charges document
- A procedure note should be drawn up setting out how to set up the square machine at each event, to ensure all staff working on outside events can use the machine properly.
- Further testing should be carried out to ensure staff can set up the Square machine without needing to call the bookkeeper outside working hours
- Consideration should be given to purchasing a second machine, to ensure back up should the original machine fail, and to ensure the council has capacity to take payments at busier events.

I will test transactions from Square at my interim audit in 23-24.

At my final audit I tested 2 large receipts

£30,731 from WBC, received 27.3.23 – agreed to remittance advice from Waverley BC

£39,350 from Insurers – received 22.3.23 – agreed to notification from the insurers

I am satisfied that the Council has met the requirements of this control objective.

E. Petty Cash

2nd Interim Audit and Final Audits

The Council held a petty cash balance of £1,076 at 31.3.23. I have been able to agree the ledger balance recorded on RBS accounting system back to the petty cash log. This has been evidenced as counted by the Council Bookkeeper, and counter signed by the Town Clerk.

I am satisfied that the Council has proper controls over petty cash

G. Payroll

First Interim Audit

The Council's payroll is processed by Moorepay. Each month the Town Clerk inputs all monthly changes to payroll. Monthly amendments are input direct by the Clerk into Moorepay as follows

- Staffing changes - these are input into the payroll application in line with agreed start and finish dates
- Events – The Events Manager confirms all staff who have worked on events by email, and this information is input into payroll
- Non full-time staff and overtime - Timesheets are completed by staff and these are authorised by the relevant manager. Details of hours worked are recorded in the payroll system

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Once all input has been complete, the Clerk reviews payroll. Payroll is then processed by Moorepay, who set up and pay staff by BACs from the Council's bank account.

I tested the August payroll. I selected a sample of 3 staff payments from the payroll. I was able to agree

- Cashbook entry for payroll for each month back to Payroll report
- Pay for each officer selected back to individual payroll report on Moorepay
- Checked gross pay to appropriate pay scale point
- Evidence of councillor review of payroll
- Overtime could be agreed to a timesheet record of hours worked, or schedule of events staff, appropriately authorised.

I also reviewed the Council's PAYE account with HMRC – all payments were up to date.

Second Interim and Final Audits

Staff costs per box 4 to the accounts were £603,595(21-22 £502,568).

I have reviewed RBS reports and it appears that correct costs have been included within the staffing costs cell on the statement of accounts – all costs related to staff employed by the Council.

I tested the January payroll. I selected 4 members of staff from the payroll. I agreed pay from the general ledger back to the Moorepay payroll summary for the month. Gross pay for 4 members of staff was then agreed to appropriate NJC rates of pay for 22-23, as published by NALC.

I note that there was an overpayment of salary for one member in staff, due to incorrect processing of pay by Moorepay. A repayment schedule has been calculated by the Council Accountant.

I have one recommendation. I recommend that any change in pay due to pay awards or changes terms and conditions are confirmed via a pay award letter. Whilst this information was included in payslips in January 23, the audit trail is not clear.

I am satisfied that the Council has met the requirements of this control objective.

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H. Assets and Investments

Fixed assets per box 9 to the accounts were £ 2,808,653 (21-22 £2,634,489)

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed.

The asset register records the following movements in the course of the 22-23 financial year

Additions - £192,818
Disposals - £ 18,655
Net movement £174,163

The major addition to the asset register in 22-23 is the work at Hale Cemetery Chapels, which has increased the value of the asset register by £181K. This has been agreed to a schedule of invoices paid relating to this project, once the additional accrual has been posted to the income and expenditure account. (see section B above)

A number of items of IT and grounds maintenance equipment have been disposed of in 22-23. I selected one item, a Dell Server, with an asset register value of £5,106. I confirmed that approval for this disposal was reported to a meeting of the Council by checking the agenda for the March 23 Council meeting.

The asset register also contains a long-term investment, correctly listed on the asset register as it will be held by the Council for more than 12 months. This is a CCLA Property Fund Investment, with an investment value of £250K. I have agreed this to the December 2022 statement, the year-end statement had not yet been received at the time of my audit. I confirmed with the Town Clerk that the Council intends to retain this investment for more than 12 months at balance sheet date, so it is correctly accounted for on the fixed asset register.

I am satisfied that the asset register can be reconciled to the fixed asset balance recorded in the accounts.

I: Bank Reconciliations

First Interim Audit

The current account is reviewed twice a week by the bookkeeper, and transactions are matched off against the cashbook as they are recorded in the Council's bank account. This is a strong control against fraud and error and ensures all income records are kept up to date. Formal reconciliation is performed promptly at each month end, by the Bookkeeper, prior to review by the Accountant.

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This system is compliant with the requirement of financial regulations. There is strong separation of duties, with the accounts maintained and reconciled by officers with no signatory powers, and reporting of balances to councillors.

At 31 October 2022, the Council held the following bank and investment balances. I have reperformed month end reconciliations for accounts highlighted in green. Accounts highlighted in yellow are only reconciled as part of year end accounting procedures, bank statements are only issued annually for the these investment accounts. The account highlighted in orange is a long term investment and is correctly included in the asset register. I will check these accounts as part of my year end audit

Account	Balance at 31 October 2022	Reconciliation review by Internal Audit
Current Account	£146,301	Reconciled to 30.10.21. Cashbook agreed to bank
Mayors Charity Account	£2,241	Reconciled to 30.10.21. Cashbook agreed to bank
Moneymaker Call Account	£1,026,363	Reconciled to 30.10.21. Cashbook agreed to bank
Money Maker investment 1	£200,000	To be checked at year end , annual statements issued by bank
Money Maker investment 2	£300,000	To be checked at year end , annual statements issued by bank
CCLA investment Account	£700,000	Reconciled to 30.10.21. Cashbook agreed to bank
Cambridge and Counties Deposit account	£240,995	Reconciled to 30.10.21. Cashbook agreed to bank
Money Maker investment 1	300,000	To be checked at year end , annual statements issued by bank
Nationwide	£101,991	To be checked at year end , annual statements issued by bank
CCLA Property Fund (shown as investment asset, not on balance sheet)	£250,000	Long term investment, To be checked at year end , annual statements issued by bank
TOTAL Cash and investment balance at 31.10.22	£3,066,082	

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2nd Interim Audit and Final Audits

Cash per box 8 to the accounts was £2,120,597 (21-22 £2,177,447) I reformed the year end bank reconciliations. Details of this work is set out below:

Account	Cashbook Balance at 31 March 2023	Reconciliation review by Internal Audit
Current Account	£69,483	Agreed to bank reconciliation, RBS accounting system and bank statement
MM Investment 00828203	£300,000	Accounting system balance agreed to 31.3.23 statement from HSBC
MM Investment 30828181	£300,000	Accounting system balance agreed to 31.3.23 statement from HSBC
CCLA Investment 068118000IPC	£700,000	Accounting system balance agreed to 31.3.23 statement from HSBC
Cambridge and Counties Deposit account	£243,396	Agreed to bank reconciliation, RBS accounting system and bank statement
Nationwide	£104,142	Accounting system balance agreed to 31.3.23 statement from HSBC
Petty Cash	£1,076	agreed to count
MM Investment 80878359	£400,000	Accounting system balance agreed to 31.3.23 statement from HSBC
Mayor's Charity A/C	£2,418	Agreed to bank reconciliation, RBS accounting system and bank statement
MM call 0304	£82	Agreed to bank reconciliation, RBS accounting system and bank statement
TOTAL Cash and investment balance at 31.3.23	£2,120,597	

At the time of my audit, bank reconciliations had not yet been subject to councillor review. This will be completed in due course. I am satisfied that the system of bank reconciliations is operating effectively, and that I could agree accounting balances for cash, via bank reconciliations, to bank statements for all accounts.

The Council has no loans, and box 5 of the accounting statements is correctly shown as nil.

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J. Year-end accounts

Farnham TC has produced accounts on an accruals basis, this is required as income / expenditure is above £200k.

L: : The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

As a larger Council, with income / expenditure in excess of £200K, Farnham is required to follow the 2015 Transparency Code. Whilst I was able to confirm that data required by the Code could be located at various pages on the Council website, there is scope to improve the way this information is presented. I recommend that the Council reviews the “transparency and openness” page on the website, and considers following the model at Windlesham Parish Council. [Transparency Information - Windlesham Parish Council \(windleshampc.gov.uk\)](http://windleshampc.gov.uk)

M: Exercise of Public Rights - Inspection of Accounts

Inspection periods for 2021-22 accounts were set as follows

Inspection - Key date	2021-22 Actual
Accounts approved at Full Council	28 April
Date of Announcement	5 June
Inspection period begins	13 June
Inspection period ends	22 July
Correct length	Yes

I can confirm that regulations were followed and that the Council can therefore sign off that it has met control objective 4 on the annual governance statement – inspection rights.

N: Publication requirements 2022 AGAR

The Council received a clear audit opinion from the external auditors for 2021-22. This was dated 10th September, and the Council has published the complete audited AGAR on the website, as required by regulations. The Conclusion of Audit notice was published on the Council website on 29 September, before the regulatory deadline of 30 September. The external audit certificate was reported to the October meetings of Strategy and Finance Committee and Full Council. (Agenda item 4 October Strategy and Finance Working Group)

I am satisfied regulatory requirements have been met in this area.

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0. Trusteeship

The Council is trustee of the Farnham School of Science and Arts, also known as the Farnham South Street Trust, Charity Number 1146152. A separate company is operated on the Omega Accounting system, I can therefore confirm separate books of account are maintained for the Charity. The Trust holds separate meetings, these are minuted and minutes and agenda published on the Town Council website - meeting last held on 5 November 2022. The 21-22 annual return was submitted on 29 October 2022, with the accounts submitted on 29 November 2022. All Charity Commission deadlines were met.

The accounts have been subject to an independent examination, as required for a charity with turnover in excess of £25K. I am satisfied that the Council has met this control objective.

I would like to thank you and the team at the Council for your assistance with the audit. I attach the internal audit report from the AGAR and my invoice for your consideration.

I look forward to working with you again in 2023-24.

Yours sincerely



Mike Platten CPFA

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Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
<p>I have tested the brought forward balances in the accounting system against the audited prior year annual return. There appears to be a small imbalance</p> <p>Opening balance 21-22 - £1,915,694</p> <p>Box 7 Audited 21-22 accounts - £1,916,346</p> <p>Difference - £ 652</p>	<p>This imbalance is likely to be due to a small glitch on one or two transactions. This should be examined and the opening balance should be brought back into balance with the 21-22 audited accounts.</p>	<p>Cleared – the opening balance sheet now agrees to the audited 21-22 accounts</p>
<p>BACS files produced by the accounting system are now in the F drive of the Council’s document filing system, which is password protected and restricted to Bookkeeper, Accountant and Town Clerk.</p>	<p>I do not believe that BACS files should be retained, there is a small risk that these could be erroneously used. I therefore recommend that the BACS files are deleted once the payment run has been authorised at bank by Councillors.</p>	<p>Actioned, confirmed with bookkeeper</p>
<p>Gostrey Meadow playground is not listed separately on the insurance schedule. The Town Clerk has contacted the insurer and confirmed the playground is included on the public liability insurance.</p>	<p>Further confirmation should be sought to ensure playground and other assets are properly insured.</p>	<p>Confirmed for current policy – this will also be picked up as part of insurance tender.</p>

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<p>Fidelity insurance cover is set at £2million. This may not be sufficient, given cash and investment holdings of around £3million at the time of my audit (Checked to October 2022 balance sheet)</p>	<p>The level of fidelity cover should therefore be raised with the insurer.</p>	<p>Added to the renewal schedule for insurance tender</p>
<p>Fees and charges</p>	<p>West Street Market fees and rent for Wrecclesham Community Centre should be reviewed annually and approved by Council alongside other fees and charges, to ensure compliance with financial regulations.</p>	<p>included in 23-24 fees and charges .</p>

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Accounting

Appendix A

Points Forward – Action Plan - Final Audit

Matter Arising	Recommendation	Council Response
<p>The Council has started to make use of a Square card machine to collect income at outside events, and permission to use the machine has been added to the Council's Financial Regulations.</p>	<p>I recommend the following :</p> <ul style="list-style-type: none"> - The Council should decide whether to recover administrative fees charged by Square when charging customers. This should be added to the annual fees and charges document - A procedure note should be drawn up setting out how to set up the square machine at each event, to ensure all staff working on outside events can use the machine properly. - Further testing should be carried out to ensure staff can set up the Square machine without needing to call the bookkeeper outside working hours - Consideration should be given to purchasing a second machine, to ensure back up should the original machine fail, and to ensure the council has capacity to take payments at busier events. 	

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<p>I have one recommendation. I recommend that any change in pay due to pay awards or changes terms and conditions are confirmed via a pay award letter.</p>	<p>Whilst this information was included in payslips in January 23, the audit trail is not clear.</p>	
<p>Year end accruals required adjustment as a result of internal audit testing:</p>	<ul style="list-style-type: none"> • 8,500 accrual raised - works on Farnham Flame. This work had not been delivered by 31.3.23 so the accrual should be cancelled and the expenditure coded to 23-24. • £33,000 – Final payment for works on Hale Chapels. This had not been accrued for in the initial draft of the accounts. An accrual should be raised, expenditure on this project will then match the addition to the fixed asset register. 	
<p>As a larger Council, with income / expenditure in excess of £200K, Farnham is required to follow the 2015 Transparency Code. Whilst I was able to confirm that data required by the Code could be located at various pages on the Council website, there is scope to improve the way this information is presented.</p>	<p>I recommend that the Council reviews the “transparency and openness” page on the website, and considers following the model at Windlesham Parish Council. Transparency Information - Windlesham Parish Council (windleshampc.gov.uk)</p>	

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