

Claire Connell MA, ACA, CTA

Chartered Accountant and Chartered Tax Adviser

86 Silverdale Road

Earley

Reading RG6 7LT

Tel: 0118 966 9706

Email: accounts@claireconnell.co.uk

Theale Parish Councillors
Theale Parish Council
Parish Council Office
The Pavilion
Englefield Road
Theale RG7 5AS

3rd June 2025

Dear Ladies and Gentlemen

Internal Audit Report 2025

Local councils are required to have an internal audit of their accounting records and their system of internal control by Regulation 5 of the Accounts and Audit Regulations 2015. My internal audit testing was based on the guidelines included in the 2024 edition of the Practitioners Guide (PG).

I present my second internal audit report for the financial year ended 31st March 2025. My audit work for the year is now complete and a summary of my findings for the year is attached at appendix 1.

Overall conclusion

Generally the financial records are well maintained and appear fit for purpose. There have been difficulties with the functionality of the new accounting software during the year but it appears that these have now been resolved. The control systems and procedures appear efficient and effective.

There are two matters that I need to draw to your attention, one of which results in a qualified opinion on the AGAR.

(1) Exercise of Public Rights

The Council did not meet the control objective regarding the Exercise of Public Rights for the second year in a row. Although a notice was placed on the website in advance of the period commencing, the wrong notice was used and thus the public were not given all the information that you are required to provide. This is detailed in section M below.

(2) Fixed assets

The fixed assets are now recorded in Rialtas software and the list of assets has been thoroughly revised. As a result, the value of the assets as at 31st March 2024 has been restated so that the difference between the 2024 and 2025 values simply reflects the additional asset purchased in the year.

New annual governance statement assertion in the 2025-26 AGAR

Appendix 2 gives some details regarding the new assertion which will appear in next year's annual governance statement and the guidance that the Council will need to have followed in order to give a positive response to it. This is purely for information and does not affect the 2024-25 audit in any way.

I trust that these comments are self-explanatory, but please do not hesitate to contact me if you would like further details. I should like to thank the Council staff for their assistance during my visit.

Yours faithfully

A handwritten signature in black ink that reads "Claire Connell". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Claire Connell

Appendix 1: Summary of internal audit work covered in 2024-25

<u>Annual Return Section</u>	<u>Objective met?</u>	<u>Comments</u>
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes	RBS software is used which is designed for parish councils. This was upgraded in the year to allow the integration of a bookings calendar and assets module.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes	Testing and review of systems shows that expenditure is properly incurred, payments approved and VAT appropriately accounted for.
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes	Minutes, Standing Orders and Financial Regulations were reviewed. The Standing Orders and Financial Regulations were both updated in June 2024. The council carried out a formal review of its risks during the year in October 2024. Observation: There are several sets of minutes for 2023-24 that are still not available on the website.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes	Budgeting and reporting appeared thorough.
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	No significant issues were found during testing and review of systems. A VAT return was submitted during the year.
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A	No petty cash has been used this year.
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.	Yes	Payroll has continued to be prepared by an external bureau. During my testing, it became apparent that the Employment Allowance had been incorrectly claimed and thus payments to HMRC were lower than they should have been. This has now been corrected. Backpay was paid in November following the approval of the national pay scales.
H. Asset and investments registers were complete and accurate and properly maintained.	Yes	The fixed asset register has been transferred into Rialtas software and has been thoroughly reviewed during the year.

I. Periodic and year-end bank account reconciliations were properly carried out.	Yes	Monthly reconciliations are performed. These are available for all councillors in Sharepoint and are taken to the Finance Committee quarterly.
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.	Yes	These assertions have been met.
K. If the authority certified itself as exempt from a limited assurance review in 2023-24, it met the exemption criteria and correctly declared itself exempt	N/A	Not covered – the Council had a limited assurance review of its 2023-24 AGAR
L. The authority published the required information on a free to access website up to date at the time of the internal audit in accordance with any relevant legislation.	Yes	AGARs for the past five years are available on the website as required by the Accounts and Audit Regulations 2015. Councils are encouraged to comply with the Transparency Code 2015 (see PG 5.76). The Clerk is in the process of reviewing the requirements of the Code and Council compliance with them.
M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	No	The exercise was advertised on the website in advance of the period commencing. However, the incorrect template was used (which specifically says it shouldn't be published on the Council website) and thus the public were not given an explanation of their rights as required by the Accounts and Audit Regulations 2015. For this reason, I am unable to state that the Council correctly provided for the period for the exercise of public rights. The exercise was carried out for 30 days (including the first 10 working days of July) as specified by the legislation.
N. The authority has complied with the publication requirements for 2023/24 AGAR	Yes	Yes, the correct documents were published at the right time
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	N/A	Not applicable.

Appendix 2 – New Assertion on the 2025-26 Annual Governance Statement

When the Council completes the Annual Governance Statement for the year ended 31st March 2026, it will need to respond to a new assertion regarding digital and data compliance.

The Practitioners' Guide issued in March 2025 states that to warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 Email management - every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com.

1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

1.50 All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).

1.51 All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

1.53 The DPA 2018 supplements the GDPR and classifies a parish council as both a Data Controller and a Data Processor.

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.

Claire Connell MA, ACA, CTA

Chartered Accountant and Chartered Tax Adviser

86 Silverdale Road

Earley

Reading RG6 7LT

Tel: 0118 966 9706

Email: accounts@claireconnell.co.uk

Theale Parish Council

Supporting information for assertion M on the Internal Audit Report for the year ended 31st March 2025

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 have stated that internal control objective M has not been met on the internal audit report for the following reason:

In the summer of 2024, the incorrect notice for the exercise of public rights was published on the website and the public were therefore not given an explanation of their rights as required by the Accounts and Audit Regulations 2015.

This was a one-off administrative error and proper provision for a period of exercise of public rights will be made in 2025.



Claire Connell

Date: 3rd June 2025

Annual Internal Audit Report 2024/25

Theale Parish Council

www.thealeparishcouncil.gov.uk

During the financial year ended 31 March 2025, 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 2024/25 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.	No petty cash		✓
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 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")	✓		
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 2024-25 AGAR period, were public rights in relation to the 2023-24 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 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
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

11/03/2025

16/05/2025

Name of person who carried out the internal audit

Claire Connell

Signature of person who carried out the internal audit

Claire Connell

Date

03/06/2025

*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).

