

Thatcham Town Council
Financial Year 2023-24



IAC Audit and Consultancy Ltd

Audit date: 6 February 2024

Interim Internal Audit Observations

B *This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Does the Council use the NALC model Standing Orders?	No	<i>It was noted that the Council does not use the NALC model Standing Orders. It is understood that the Standing Orders for the Council are an amended version of the NALC Model. It was noted that the Councils Standing Orders do not include the reference to the tender process or the Public Contract Regulations.</i>	<p>The Council to review the format of its Standing Orders and specifically consider whether any changes made to the Councils Standing Orders still incorporate those items which are mandatory.</p> <p>The Council should also formally consider how matters excluded from Standing Orders (such as the procurement process) are to be addressed in other corporate documents of the Council.</p>	High	<p>MT: Council was diligent when adopting its overhauled Standing Orders in 2020 to ensure all mandatory items were included. Each time new model SO's are issued by NALC, we will review the amendments against our own SO's.</p> <p>MT: Procurement is covered in the Council's Financial Regulations (11.1b).</p>
2	Are the Standing Orders the current version of the Model Standing Orders?	No	<i>See above</i>	See above	Medium	See above
3	Have Grants awarded been appropriately considered by Council and approved in accordance with the Councils grant policy?	Yes	<i>The Council has made a number of grants. Large value grants are agreed as part of the budget. It is not clear that the grants awarded have been considered in accordance with the Councils grant policy which was adopted in 2016.</i>	The Council should review and update its Grants Policy and ensure that the policy, and the current practice of the Council are consistent.	Medium	MT: Review of the Grants Policy is included in the major overhaul planned for all Council Policies.

D *The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	When preparing the budget, and subsequent precept demand, did the Council specifically consider the level of its General Reserve and whether the level of the General Reserve was adequate and not excessive?	No	<i>The Council did not formally consider the level its General Reserve when setting the budget an precept for the year.</i>	When setting the budget the Council should specifically consider the level of its General Reserve. The Council should set the level of its General Reserve in line with the guidance set out in the Practitioner's Guide paragraphs 5.32 - 5.36 (in particular paragraph 5.34).	High	MT: Council considers all its Reserves throughout the Budget preparation and adoption process. Once the budget is adopted, a Reserves Policy is subsequently adopted as part of the Treasury Management Plan. If it would be better to adopt the TMP at the time of adoption of the budget, this can be accommodated.

I *Periodic bank account reconciliations were properly carried out during the year.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	There a bank reconciliation for each account (Interim)	No	<i>It is not currently practice for the balances on the 'Other Cash and Bank Balances' accounts to re reconciled with the quarterly bank reconciliation. It was noted that interest earned this on these balances during the current financial year has not been recorded.</i>	Bank reconciliations must be carried out for each of the Councils bank accounts and interest earned should be recorded when received.	High	MW: Although reconciliations are regularly completed the allocation of interest to investments was completed as part of the year end process. The recommendation has now been adopted and interest will be allocated throughout the year as appropriate.