

## Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

ENTI Wem Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2024, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Yes			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	Yes			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Yes			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	Yes			responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	Yes			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
			✓	

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

30/05/2024

and recorded as minute reference:

702/24/01

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

Clerk

SIGNATURE REQUIRED

SIGNATURE REQUIRED

www.wem.gov.uk ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

## Section 2 – Accounting Statements 2023/24 for

ENTWem Town CouncilRITY

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	458,546	447,162	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	344,197	380,394	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	54,903	82,757	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	125,329	133,504	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	3,906	3,761	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	281,249	340,881	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	447,162	432,167	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	482,148	472,557	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	1,657,933	1,676,216	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	16,500	13,500	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**

SIGNATURE REQUIRED

Date

24/05/2024

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

30/05/2024

as recorded in minute reference:

702/24/C/11

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

SIGNATURE REQUIRED

# Annual Internal Audit Report 2023/24

WEM TOWN COUNCIL

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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> .	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Name of person who carried out the internal audit

14/02/2024 DD/30/04/2024 DD/MM/YYYY

JDU BUSINESS SERVICES LTD OR

Signature of person who carried out the internal audit

JDU Business Services Ltd

Date

30/04/2024

\*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).

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## Wem Town Council 2023/2024

### Bank - Cash and Investment Reconciliation as at 31 March 2024

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	<u>Account Description</u>	<u>Balance</u>
<u>Bank Statement Balances</u>		
2	31/03/2024 Active Saver	16.25
4	31/03/2024 Petty Cash	38.09
5	31/03/2024 Bulmer Cott Fund	28.66
6	31/03/2024 Developers Reserve Fund	20.45
7	31/03/2024 Hosp A/C	100.44
8	31/03/2024 Unity Account	68,638.02
9	31/03/2024 CCLA	330,739.00
10	31/03/2024 Nationwide Business Saving	92,525.80
11	31/03/2024 Unity Corporate Card	0.00
		<b>492,106.71</b>
<u>Unpresented Payments</u>		
8	28/03/2024 218.23	122.00
8	28/03/2024 219.23	119.99
8	28/03/2024 220.23	75.00
8	28/03/2024 221.23	18.00
8	28/03/2024 222.23	700.80
8	28/03/2024 223.23	305.00
8	28/03/2024 225.23	456.00
8	28/03/2024 226.23	86.40
8	28/03/2024 227.23	11,805.36
8	28/03/2024 228.23	2,004.00
8	28/03/2024 229.23	50.00
8	28/03/2024 230.23	3,636.00
8	28/03/2024 231.23	204.00
8	28/03/2024 232.23	30.00
		<b>19,612.55</b>
		<b>472,494.16</b>
<u>Receipts not on Bank Statement</u>		
8	28/03/2024 435	33.30
8	28/03/2024 436	30.00
		<b>63.30</b>
		<b>472,557.46</b>
<u>Closing Balance</u>		
<u>All Cash &amp; Bank Accounts</u>		
2	Active Saver	16.25
4	Petty Cash	38.09
5	Bulmer Cott Fund	28.66
6	Developers Reserve Fund	20.45
7	Hosp Account	100.44
8	Unity Bank	49,088.77
9	CCLA	330,739.00
10	Nationwide Business Saving	92,525.80
11	Unity Corporate Card	0.00

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**Wem Town Council 2023/2024**

**Bank - Cash and Investment Reconciliation as at 31 March 2024**

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<u>Account Description</u>	<u>Balance</u>
Other Cash & Bank Balances	0.00
<b>Total Cash &amp; Bank Balances</b>	<b><u>472,557.46</u></b>

## Explanation of variances – pro forma

Name of smaller authority: **Wem Town Council**  
 County area (local councils and parish meetings only): Shropshire  
 Insert figures from Section 2 of the AGAR in all **Blue** highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- **New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;

	2022/23 £	2023/24 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. <b>DO NOT OVERWRITE THESE BOXES</b>	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	458,546	447,162					Explanation of % variance from PY opening balance not required - Balance brought forward agrees
2 Precept or Rates and Levies	344,197	380,394	36,197	10.52%	NO		
3 Total Other Receipts	54,903	82,757	27,854	50.73%	YES		first year taking on responsibility for markets resulted in £3800 new income £10,000 extra from bank interest, £2000 neighbourhood fund £10,000 grant for Heads up youth project £2000 extra cemetery income
4 Staff Costs	125,329	133,504	8,175	6.52%	NO		
5 Loan Interest/Capital Repayment	3,906	3,761	-145	3.71%	NO		
6 All Other Payments	281,249	340,881	59,632	21.20%	YES		£36,000 on swimming pool liner £10,000 to replace railings on recreation ground £10,000 on christmas lights £4000 skate ramp refurbishment
7 Balances Carried Forward	447,162	432,167					VARIANCE EXPLANATION NOT REQUIRED
8 Total Cash and Short Term Investments	482,148	472,557					VARIANCE EXPLANATION NOT REQUIRED
9 Total Fixed Assets plus Other Long Term Investments at	1,657,933	1,676,216	18,283	1.10%	NO		
10 Total Borrowings	16,500	13,500	-3,000	18.18%	YES		Streetlighting loan repayment

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

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## Wem Town Council Current Year

### Supporting Reserves Reconciliation for ANNUAL RETURN 31 March 2024

Explains the difference between boxes 7 & 8 on the Annual Return

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<u>Code</u>	<u>Description</u>	<u>Last Year £</u>	<u>This Year £</u>
	<b>Total Reserves</b>	<b><u>447,162.30</u></b>	<b><u>432,167.30</u></b>
100	Debtors	0.00	330.00
105	VAT Control A/c	7,647.06	9,212.13
120	Stock	1,770.00	1,680.00
	<b>Less Total Debtors</b>	<b><u>9,417.06</u></b>	<b><u>11,222.13</u></b>
510	Accruals	39,626.78	48,979.12
520	Wages control account	2,140.11	2,405.17
560	Receipts in Advance	2,636.00	228.00
	<b>Plus Total Creditors</b>	<b><u>44,402.89</u></b>	<b><u>51,612.29</u></b>
	<b>Equals Total Cash and Bank Accounts</b>	<b><u>482,148.13</u></b>	<b><u>472,557.46</u></b>
205	Bulmer Cott Fund	45,416.08	28.66
210	Developers Reserve Fund	35,255.11	20.45
220	Active Saver	28,010.32	16.25
225	Hosp Account	10.00	100.44
230	Unity Bank	29,425.63	49,088.77
235	CCLA	217,224.00	330,739.00
240	Nationwide Business Saving	126,782.19	92,525.80
250	Petty Cash	24.80	38.09
	<b>Total Cash and Bank Accounts</b>	<b><u>482,148.13</u></b>	<b><u>472,557.46</u></b>

## Contact details

Name of smaller authority: Wem Town Council

County Area (local councils and parish meetings only): Shropshire

Please complete this form and send it back to us with the AGAR or exemption certificate

	<b>Clerk/RFO (Main contact)</b>	<b>Chair</b>
<b>Name</b>	<b>Penny O'Hagan</b>	<b>David Parry</b>
<b>Address</b>	<b>Wem Town Council Wem Library High Street Wem SY4 5AA</b>	<b>30 Soulton Road Wem SY45HR</b>
<b>Daytime telephone number</b>	<b>01939 232733</b>	<b>01939232733</b>
<b>Mobile telephone number</b>		
<b>Email address</b>	<b>info@wem.gov.uk</b>	<b>David.parry5@gmail.com</b>



## **INTERNAL AUDIT REPORT - INTERIM WEM TOWN COUNCIL 2023/2024**

The internal audit of Wem Town Council is carried out by undertaking the following tests as specified on the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion on the Annual Return for local councils.

### **Conclusion**

On the basis of internal audit work carried out, which was limited to the tests above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

**JDH Business Services Limited**

**INTERNAL AUDIT REPORT  
WEM TOWN COUNCIL – 2023/2024**

**ACTION PLAN**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
1	<p>Testing of a sample of payments identified that £1842.55 of VAT paid on the Christmas Lighting Contract (14/11/23 ref 158.23) had not been coded to the VAT account within the ledger but had been included within the Christmas lighting code.</p> <p>This could lead to the VAT not being claimed on this payment.</p>	<p><i>An adjustment should be posted to the Rialtas ledger and if this hasn't been included within the quarterly VAT return, an adjustment should be made to the next VAT return.</i></p>	
2	<p>Section 6.14 of the financial regulations require:</p> <p><i>The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.</i></p> <p>The Clerk has obtained information relating to 3 of the 4 bank signatories who use computers for the council's financial business.</p>	<p><i>The Council need to ensure robust cyber security measures are in place that meet the requirements of s6.14 of the financial regulations.</i></p>	
3	<p>The Council do not include income sampling in their internal control checks.</p>	<p><i>The periodic checks carried out by members should include income sampling. The sample items should be agreed to price lists.</i></p>	

**INTERNAL AUDIT REPORT  
WEM TOWN COUNCIL – 2023/2024**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
<b>2022/23 internal audit recommendations</b>			
1	Pay increases are notified to the payroll agent via a letter from the Town Clerk.	<i>The Chair should notify the payroll agent of annual officer pay rise information.</i>	<b>Follow up at year-end</b>
<b>2022/23 interim internal audit recommendations</b>			
1	A review of payments identified a payment in Month 10 that had been entered in the nominal ledger for funding to the swimming pool was incorrect. The payment had not yet been made and the payment schedule was corrected during the interim audit.	<i>A correction must be posted to the ledger.  Invoices received should be checked to ensure they are for the expected amount before being processed for payment.</i>	<b>Implemented</b>
2	The Council now have a corporate credit card available for the Clerk to use. The Council documentation on internal controls and the financial regulations do not state the monthly and individual transaction limits in place, controls over physical security and the reporting of transactions to Council.	<i>The Council should review the internal controls in place over the use of the credit card and ensure that internal controls documentation is updated accordingly.</i>	<b>Implemented</b>

**INTERNAL AUDIT REPORT – YEAR-END  
WEM TOWN COUNCIL 2023/2024**

The internal audit of Wem Town Council is carried out by undertaking the following tests as specified on the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion on the Annual Return for local councils.

**Conclusion**

On the basis of internal audit work carried out, which was limited to the tests above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

**JDH Business Services Limited**

**INTERNAL AUDIT REPORT  
WEM TOWN COUNCIL – 2023/2024**

**ACTION PLAN**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
1	No issues identified in the review of the year-end accounts.	<i>No recommendations</i>	
<b>2023/24 interim internal audit recommendations</b>			
1	Testing of a sample of payments identified that £1842.55 of VAT paid on the Christmas Lighting Contract (14/11/23 ref 158.23) had not been coded to the VAT account within the ledger but had been included within the Christmas lighting code. This could lead to the VAT not being claimed on this payment.	<i>An adjustment should be posted to the Rialtas ledger and if this hasn't been included within the quarterly VAT return, an adjustment should be made to the next VAT return.</i>	<b>Implemented</b>
2	Section 6.14 of the financial regulations require: <i>The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.</i> The Clerk has obtained information relating to 3 of the 4 bank signatories who use computers for the council's financial business.	<i>The Council need to ensure robust cyber security measures are in place that meet the requirements of s6.14 of the financial regulations.</i>	<b>The Council have resolved that checks are made to ensure that all bank signatories who have authority to access the Town Council's bank accounts via the internet can meet Financial Regulation 6.14 prior to becoming approved as a signatory.</b>

**INTERNAL AUDIT REPORT  
WEM TOWN COUNCIL – 2023/2024**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
3	The Council do not include income sampling in their internal control checks.	<i>The periodic checks carried out by members should include income sampling. The sample items should be agreed to price lists.</i>	<b>Scrutiny of income has been added to future monthly checks. Follow up in 24/25.</b>
<b>2022/23 internal audit recommendations</b>			
1	Pay increases are notified to the payroll agent via a letter from the Town Clerk.	<i>The Chair should notify the payroll agent of annual officer pay rise information.</i>	<b>Implemented</b>
<b>2022/23 interim internal audit recommendations</b>			
1	A review of payments identified a payment in Month 10 that had been entered in the nominal ledger for funding to the swimming pool was incorrect. The payment had not yet been made and the payment schedule was corrected during the interim audit.	<i>A correction must be posted to the ledger.  Invoices received should be checked to ensure they are for the expected amount before being processed for payment.</i>	<b>Implemented</b>
2	The Council now have a corporate credit card available for the Clerk to use. The Council documentation on internal controls and the financial regulations do not state the monthly and individual transaction limits in place, controls over	<i>The Council should review the internal controls in place over the use of the credit card and ensure that internal controls documentation is updated accordingly.</i>	<b>Implemented</b>

**INTERNAL AUDIT REPORT  
WEM TOWN COUNCIL – 2023/2024**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
	physical security and the reporting of transactions to Council.		