LIGHTATOUCH

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**27 February, 2026**

**The Town Clerk**

**Alton Town Council**

**Town Hall**

**Market Square**

**Alton, Hants**

**GU34 1HD**

Dear Leah

**First Interim Internal Audit Report**

**Alton Town Council – April – June 2020**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
We confirm that we are independent of the Council.

The internal audit work to be carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2020-21 Annual Governance and Accountability Annual Return (AGAR).

We have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2020
- The Accounts and Audit (England) Regulations 2015 (as amended).

**Background**
Alton Town Council had income and expenditure in 2019/2020 of between £1,500,000 and £2,000,000 and is subject to review by the External Auditor, PKF Littlejohn.
The completion of the Accountability and Governance Annual Return 2019/2020 has been submitted to the External Auditor. The conclusion of audit notice for 2019/2020 is yet to be issued. PKF Littlejohn will issue this notice after the completion of the Exercise of Public Rights period which ends on 24 July 2020.

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on RBS Omega Software

The Council Offices remain closed to the public due to the continuation of the Covid 19 pandemic but an audit visit was agreed with the Clerk to be carried out on Monday 13 July 2020 at the Council Offices observing the social distancing guidelines set out by the Government.

We have observed that the Council have taken the decision at their meeting on 29 April 2020 to retain its current Standing Orders until May 2021. There will also be a continuation of Councillor appointments with the impact of postholders continuing in post until the Annual Meeting in 2021.

**Internal audit checks**
We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, Minutes, policies, procedures, and insurance documentation to ascertain the efficiency and effectiveness of the Town Council's internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During this visit we checked a d sample tested the following:

- Minutes of Council and Committee Meetings
- Policies and Procedures
- Bank and cash
- Investments
- Petty Cash
- Budgetary Management
- Income and expenditure
- Payroll
- VAT claims
- Covid 19 arrangements
- Financial Risk Assessment
- Transparency of the Council website

**Findings**

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

**Good practice**

- The Council continues to maintain its books and records on RBS Omega Software.
- Staff remain aware of the requirements of GDPR and the Council is registered with the ICO.
- Details of total payments authorised at meetings are recorded in the Minutes.
- All income records including cash and cheque transactions are appropriate and recorded correctly
- All expenditure items could be traced and are recorded correctly in the financial ledger.
- Petty cash is maintained, recorded, and approved appropriately.
- All records continue to be up to date and easy to follow.
- The Council take an active scrutiny role.
- The Council maintain a strong investment position.
- Tendering processes applied that are appropriate to the requirements recorded in financial regulations.
- The budgeting process is detailed, thorough and monitored throughout the year.
- Bank reconciliations are carried out promptly each month and were accurate.
- VAT claims continue to be submitted to HMRC on a regular basis.
- Payroll information is calculated correctly, showing appropriate deductions for PAYE, National Insurance and Pension Contributions.
- Sales Invoices are raised when appropriate to record income due to the Council.
- The Council's website continues to meet the requirements of the Transparency Code Regulations 2015.
- The Council have considered and Minuted the risks associated with Covid 19.

**Recommendations**

**Bank Reconciliations**

- bank reconciliations should be signed and dated by the Assistant to the Town Clerk each month.
- the Chairman of the Policy and Resources Committee should sign and date the bank reconciliations quarterly to confirm that bank reconciliations have been carried out accurately as part of Town Council scrutiny role.

**BACS Authorisation**

- Email confirmation received from Councillors mandated to approve payments should be filed with those invoices approved to confirm authorisation of payment.

**Use of a Bank Debit Card**

- The Council should obtain the use of a Bank Debit Card for purchasing items on-line. This will avoid the need for personal credit card purchases to be used on behalf of the Council.

**Other matters of note brought to the Council's attention**

- The Council has approved a Covid 19 risk assessment at their Council meeting on the 8 July 2020. We have agreed with the Clerk that a financial risk assessment 2020/2021 will also be prepared and brought to the Council for approval at their meeting in October 2020.This will incorporate requirements to ensure the Council retain its financial security and to identify potential risks when budget setting for 2021/2022.
- The Council has considered their position to offer a three-month rent-free period for tenants during the period April to June 2020. This has contributed to the Clerk reporting to Council a reduction of income for quarter 1, although the impact of this can be offset by management costs and other expenditure items not spent during the period. The Council will raise Sales Invoices from the 1 July 2020 to reinstate the rental for each tenant.

- The Council has successfully claimed for staff who were furloughed during the period and where a staff member has been on long term sickness recovered SSP from HMRC to offset the cost of their salary.
- We support the Council in challenging East Hampshire District Council to pass on community funding allocated by the Government during the Covid 19 pandemic. The Clerk is currently writing to the Leader of East Hampshire District Council on behalf of the Mayor to urge that funds are passed on to the Council as with other Voluntary and Non-for-Profit organisations.
- The Council has remained active during Covid 19 to support local organisations and community groups who require help and support. The Council are providing resilience funding although this does not form part of the Councils normal income streams as money held is on behalf of support group. Caution should be taken as these funds will form part of the Councils income and expenditure and may impact on the income and expenditure levels to be reported to the external audit in 2020/2021. There is a professional debate at present as to whether funds in these situations should be operated separately by Councils in another bank account.
- The Website Accessibility Regulations 2018 will need to be considered to ensure that Town Council can comply with the regulations for existing websites by the 23 September 2020.

**Conclusion**
Based on the tests we have carried out at this interim internal audit visit, in our view, the internal control procedures in operation are, in all significant respects, adequate to meet the needs of Alton Town Council except where we have made recommendations in this report.

**Next visit**

The next internal audit visit has been arranged for Monday 12 October 2020.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Financial Risk Assessment
- Transparency Regulations 2015
- Website Accessibility Regulations 2018

**Next Steps**

This report should be noted and taken to the next meeting of the Policy and Resources Committee.
The Council should decide what action will be taken on the recommendations we have made.

Tim Light FMAAT and Paul Reynolds FMAAT
Internal auditors