<u>Filton Town Council Year End AGAR 2025/26 – Internal Auditors Note</u>

<u>Annual Internal Audit Report 2025/26</u>

On page 3 of the AGAR, a number of control objectives have been marked 'no' or 'not covered', where appropriate an explanation has been provided below.

Some areas have been marked 'yes' but additional information has been provided below.

Control Objective B - No - This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

- **Accounts: Payment approvals** – Issues with presentation of the October payment report due to technical errors led to Councillors approving payments without the correct oversight.
- **Income and Expenditure Reports** – Reports detailing income and expenditure were not presented to Council in a timely manner. Councillors were without detailed reports of the Council's income and expenditure for months at a time due to them not being ready for presentation, this was still the case in June 2026.
- **High Value Purchases** – Internal Audit noted that for one high value purchase sampled there was insufficient evidence of quotes obtained and for a second high value purchase over £5,000 no evidence of authorisation from Council was available. No further high value purchases have been completed since the in-year audit so further testing was able to be undertaken.

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

- **Earmarked reserves** – At the time of the in-year audit Internal Audit was unable to reconcile the 2024/25 earmarked reserves to 2025/26. However, the Council has now presented a statement of reserves as at the 1st April 2026 and this has been discussed and approved at the F&S Committee on the 14th April 2026. Reserves now meet the NALC guidance of having 3-12 months expenditure in reserve, therefore Internal Audit are satisfied to mark control objective D as a 'Yes'.

Control Objective E - No - Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.

- **Lettings and Pitch Hire –** There is an inconsistent approach to lettings and pitch hire. A number of issues were identified that were still outstanding at year-end. These are as follows:
  - Hire agreements are not available for all hirers.
  - Invoices are not consistently produced for hirers.
  - Public liability insurance has not been sighted for all current hirers.
  - Outstanding income has not been chased for collection. One debt has been outstanding for 10 months.

Control Objective G - No – Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.

- **Staffing Costs** – Pension contributions stated within the ledger do not match the pension return provided by Avon Pension Fund, there is a discrepancy of £1,300.

Control Objective H – No - Asset and investments registers were complete and accurate and properly maintained.

- **Asset Register** - The asset register provided to Internal Audit for year-end confirmed assets to a value of £4,684,393.56. The AGAR states a value of £7,425,327, a difference of £2,740,933 omitting the pence. The Council was not able to provide an adequate explanation for the discrepancy. It was advised by the Council that not all high value assets had been included, and it was felt some assets were undervalued.
- The Council has plans to reassess and review the asset register in 2026/27.

Control Objective I – No - Periodic bank account reconciliations were properly carried out during the year.

- **Bank Reconciliations** – Bank reconciliations and associated bank statements were not consistently presented for review and approval by an appropriate Council Member.

Control Objective N – No - The authority has complied with the publication requirements for 2024/25 AGAR

- The authority has not complied with the publication requirements for 2024/25 AGAR as the Notice of Conclusion of Audit or Interim certificate was not published on the Council Website by the date of 30th September 2025.
- The External Auditors provided an interim certification on the 28th September 2025 following 19 queries being raised. Publication of the interim certification did not take place until the 11th February 2026, outside of the statutory disclosure/publication requirements.
- The 2024/25 AGAR was presented and approved at the F&S Committee on 14th April 2026, item 16. However, the date of announcement and display of the AGAR on the Council website and noticeboards predates this on the 10th April 2026. The AGAR was approved by Council on the 21st April 2026, item 7.

Control Objective O - Yes - The authority has complied with laws, regulations & proper practices relating to digital and data compliance.

- This has been marked as 'Yes' as 4 out of the 5 areas are compliant.
- The Council has not been able to provide evidence that a data audit has been undertaken, however this is planned for the later this year and will be reported to Full Council.