

# Hungerford Town Council

## Financial Year 2025-26

### Visit 1 Internal Audit Observations

Date considered by Council 2/2/26

Minute Reference FC20260026



IAC Audit and Consultancy Ltd

Audit date: 8 January 2026

#### A Appropriate accounting records have been properly kept throughout the financial year.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Are accounting entries correct with few correcting entries?	Yes	<i>It was noted that the Council has recorded expenditure and income for Bike to work scheme when this is not expenditure or income of the Council, it is a staff advance and should be recorded as a debtor balance.</i>	The Council to recode the payments and income inspect of the cycle to work scheme so that it is recorded as a debtor balance in the balance sheet.	Medium	This has been corrected and is now recorded as a debtor balance in the balance sheet.

#### 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 of its General Reserve when setting the budget and 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 5.33 - 5.35 (in particular paragraph 5.35).	High	This has been noted and will be looked at when the 2026-2027 budget and precept are being prepared.

#### E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Cash income received is promptly receipted and banked. Payments are not made out of cash received.	No	<i>The council receives cash for bookings deposits, at present pre numbered receipts are not issued when receiving this income.</i>	The Council to introduce a pre numbered receipt book to record cash income received.  Receipts should be issued for all cash income.	High	A book has been prepared and is now in use.

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Bank reconciliations, and supporting bank statements, have been signed and dated as evidence of independent review (Interim)	No	<i>Bank reconciliations have been signed and dated as evidence of independent review but supporting bank statements have not.</i>	In addition to the bank reconciliation the supporting bank statements must also be signed and dated as required under Financial Regulation 2.6.	Medium	This will be carried out going forward.

**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.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Prior year accruals have been correctly reversed in the current year. (interim)	Yes	<i>It was noted that invoices have not been received in respect of accruals made in 2024/25 for Wiltshire Council bus service and for an electricity bill from West Berks Council. It appears that there will be no charges raised in respect of these accruals.</i>	The Council to note that there will be no charges raised in respect of these accruals and consequently there will be a credit balance on in respect of these amounts in the 2025/26 accounts.	Low	It was noted at FGP 15/1/25 that Wiltshire Council will not be charging us for 2024/25 bus service