

# Claire Connell MA, ACA, CTA

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The Councillors  
C/o Mrs E Tims  
Clerk to Barkham Parish Council  
Arborfield Green Community Centre  
Sheerlands Road  
Arborfield RG2 9ND

8<sup>th</sup> June 2020

Dear Ladies and Gentlemen

## **Internal audit for the year ended 31<sup>st</sup> March 2020**

Local councils are required to have an internal audit of their accounting records and their system of internal control by Regulation 5 of the Accounts and Audit Regulations 2015. During my work carried out remotely in May and June 2020 I reviewed the financial systems and controls for the year to date, together with the financial statements and annual return.

My internal audit testing was based on the guidelines included in the revised NALC Governance & Accountability Practitioners Guide (G&A). My initial discussions with Ellen confirmed the internal controls in place and a series of tests using the financial records, vouchers, minutes, previous audit reports etc were conducted to establish the effectiveness of these controls.

### **Overall conclusion**

Generally, the financial records are well maintained and appear complete and fit for purpose. The control systems and procedures appear efficient and effective.

Provided that the Council's responses to the questions in the assurance statement are affirmative, my internal audit report will be unqualified. I should be grateful if Ellen would contact me once the return is signed by the Council so that I can arrange to add my signature to the form.

### **Detailed report (structured around the questions in the Internal Audit Report on the AGAR)**

As part of the testing I checked:

- A. Appropriate books of account kept throughout the year**
  - The accounts have been maintained using Rialtas software and have been kept up-to-date.
- B. Expenditure is properly incurred, payments approved and VAT appropriately accounted for**
  - The cashbook was reviewed for the year. A sample of payment invoices was checked to ensure that they had been approved, correctly paid and VAT treated correctly. No errors were found.

- A credit card has been obtained and this is paid by direct debit each month in accordance with the guidance in G&A.
- C. Council has proper risk assessment & management procedures**
- Council minutes were scrutinised
  - The insurance cover is obtained using a broker which specialises in parish and town council insurance.
  - Standing Orders were updated in April 2019.
  - Financial regulations were updated in November 2019
  - The risk assessment from May 2019 was reviewed
- D. The Precept resulted from an adequate budgetary process and suitable financial monitoring**
- The budget setting process for 2020-21 was complete at the time of my visit. The associated reports were reviewed and the process appeared thorough.
  - The Finance committee reviewed quarterly income and expenditure reports showing progress against budget.
- E. Expected income was received, recorded and banked; VAT appropriately accounted for**
- The cashbook was reviewed
  - The precept was agreed to Council minutes and bank statements
  - CIL income was agreed to bank statements
  - The VAT reclaim was submitted in April 2020
- F. Petty Cash expenditure supported**
- No petty cash is maintained by Barkham Parish Council
- G. Payroll properly prepared, authorised and PAYE/NI requirements fulfilled**
- Payroll has continued to be prepared in house with no problems arising.
  - Checks were made for PAYE/NIC and pension deductions and no issues found.
- H. Fixed assets register properly reflects the Council's assets**
- The fixed asset register has been updated during the year.
- I. Periodic and year-end bank reconciliations properly carried out**
- The bank reconciliations were reviewed.
  - The reconciliations had been initialled to evidence their review by the chair of the Finance Committee.
- J. Accounting statements and annual return**
- The financial statements, annual return and supporting documentation for the annual return were reviewed and agreed.
- K. If the authority certified itself as exempt from a limited assurance review in 2018/19 it met the exemption criteria and correctly declared itself exempt.**
- The Council was subject to a limited assurance review of its 2018/19 AGAR and thus I will record this objective as “not covered” as instructed.
- L. During the summer of 2019 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations**
- The Council is able to evidence that it did correctly provide the proper opportunity for the exercise of public rights.

**M. Trust Funds (including charitable) – The Council met its responsibilities as a trustee**

- The Council is not a trustee of any trust.

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I trust that these comments are self-explanatory, but please do not hesitate to contact me if you would like any further details.

Yours faithfully



Claire Connell