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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

26th April 2021

Dear Ladies and Gentlemen

Internal audit for the year ended 31st March 2021

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 April 2021 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 reviewed and approved in February 2021.
- Financial regulations were updated in November 2019
- The risk assessment which will be taken to Council in May 2021 was reviewed

D. The Precept resulted from an adequate budgetary process and suitable financial monitoring

- The budget setting process for 2021-22 was complete at the time of my visit. The associated reports were reviewed and the process appeared thorough.
- As in previous years, the Finance committee reviewed income and expenditure reports showing progress against budget at each committee meeting.

Observations

- Financial Regulation 4.8 states that the quarterly income and expenditure reports should be circulated to the whole Council.

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 on 31st March 2021

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.

J. Accounting statements and annual return

- The annual return and supporting documentation for the annual return were reviewed and agreed.

K. Correct declaration of exemption from limited assurance review in 2019/20

- Not applicable – the Council was subject to a limited assurance review in 2019/20.

L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website in accordance with the Transparency Code

- Not applicable – the Council has a turnover which exceeds £25,000.

M. During summer 2020 this authority has correctly provided the proper opportunity for the exercise of public rights

- Yes, the exercise of public rights was correctly provided.

N. The authority has complied with the publication requirements for 2019/20 AGAR (as per AGAR Page 1 Guidance Notes)

- The Council complied with the publication requirements for the 2019/20 AGAR.

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

- The Council is not a trustee of any trust.

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