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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

19th May 2022

Dear Ladies and Gentlemen

Internal audit for the year ended 31st March 2022

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 visit in May 2022, 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 (PG). 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 is held and this is paid by direct debit each month in accordance with the guidance in the PG.

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 was approved in May 2021 and will be reapproved in June 2022 (subject to any necessary updates).

Observation

The Council should have an investment strategy in place given the amount currently held in the Council bank accounts.

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

- The budget setting process for 2022-23 was complete at the time of my visit. The associated reports were reviewed and the process appeared thorough, including a review of earmarked reserves.
- Quarterly income and expenditure reports have been reviewed by 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 Council is aware of repayment dates for CIL income if amounts aren't spent within 5 years of receipt.
- The VAT reclaim for the year was submitted in May 2022. The claim for the previous year was received in April 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. Backpay was paid in March following the late publication of the updated national pay scales.

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 2020/21

- Not applicable – the Council was subject to a limited assurance review in 2020/21.

- L. The authority publishes information on a free to access website up to date at the time of the internal audit in accordance with any relevant Transparency Code requirements**
- The Council has an annual turnover exceeding £25,000 so I will mark this section as not being applicable in accordance with the guidance given in the PG.
- M. During summer 2021 this authority has correctly provided the proper opportunity for the exercise of public rights**
- Yes, the exercise of public rights was correctly provided and advertised properly.
- N. The authority has complied with the publication requirements for 2020/21 AGAR (as per AGAR Page 1 Guidance Notes)**
- The Council complied with the publication requirements for the 2020/21 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