

# Claire Connell MA, ACA, CTA

Chartered Accountant and Chartered Tax Adviser

86 Silverdale Road  
Earley

Reading RG6 7LT

Tel: 0118 966 9706

Email: [accounts@claireconnell.co.uk](mailto:accounts@claireconnell.co.uk)

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

18<sup>th</sup> May 2023

Dear Ladies and Gentlemen

## **Internal audit for the year ended 31<sup>st</sup> March 2023**

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 2023, 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.

### **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 June 2022 and Financial Regulations were re-adopted in June 2022.
- The risk assessment was approved in June 2022 and will be reapproved in May 2023 (subject to any necessary updates).
- An investment strategy was adopted in July 2022.

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

- The budget setting process for 2023-24 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 were not provided for the first six months of the year but were provided for the final two quarters of the year. A diary note has been made to ensure that they are provided throughout 2023-24.

**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 for the year was submitted in April 2023.
- Small amounts of advertising income were received during the year.

**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 November following the 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. These are reviewed by Councillors during the year.

**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 2021/22**

- Not applicable – the Council was subject to a limited assurance review in 2021/22.

**L. The authority published the required information on a free to access website up to date at the time of the internal audit in accordance with the relevant legislation**

- The AGARs for the previous five years are available on the Council website as required by the Accounts and Audit Regulations 2015.
- The Council publishes its expenditure in its minutes.

- M. During summer 2022 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 2021/22 AGAR (as per AGAR Page 1 Guidance Notes)**
- The Council complied with the publication requirements for the 2021/22 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