

# 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)

Mrs Lynn Hannawin  
Stratfield Mortimer Parish Council  
Parish Council Office  
27 Victoria Road  
Mortimer  
Reading RG7 3SH

21st May 2021

Dear Lynn

## **Internal Audit Report 2021 – final review**

I present my second internal audit report for the financial year ended 31<sup>st</sup> March 2021. My audit work for the year is now complete and a summary of my findings for the year is attached at appendix 1.

I have signed the internal audit report section of the AGAR, giving an unqualified report with sections F, K and L marked as not covered as they are not applicable to this council.

There are no outstanding matters arising from previous audit reports.

I should like to thank the office staff for their assistance during my audit.

Yours sincerely



Claire Connell

### Appendix 1: Summary of internal audit work covered in 2020-21

<u>Annual Return Section</u>	<u>Comments</u>
<b>A.</b> Appropriate accounting records have been properly kept throughout the financial year.	Yes: Rialtas software is used, kept up-to-date and is accurate.
<b>B.</b> This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Testing and review of systems shows that expenditure is properly incurred, payments approved and VAT appropriately accounted for.
<b>C.</b> This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Minutes, Standing Orders, Financial Regulations, insurance cover and the Risk Register indicate that there are proper risk assessment and management procedures.  Standing Orders and Financial Regulations were updated in March 2021.  Risk Register last adopted in July 2020.  A quarterly internal control check is carried out.
<b>D.</b> The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Budgeting and reporting are carried out in a thorough and manner.
<b>E.</b> Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	No significant issues were found during testing and review of income.
<b>F.</b> Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Not covered - No petty cash held
<b>G.</b> Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Payroll is operated correctly in-house using The Payroll Site.  Payrises given during the year were authorised by Council.
<b>H.</b> Asset and investments registers were complete and accurate and properly maintained.	An adequate fixed assets register is maintained in Excel.
<b>I.</b> Periodic and year-end bank account reconciliations were properly carried out.	Monthly reconciliations are performed. These are reviewed on a quarterly basis by a Councillor.
<b>J.</b> 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,	These assertions have been met.

supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	
<b>K.</b> <i>IF</i> the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. ( <i>“Not Covered” should only be ticked where the authority had a limited assurance review of its 2019/20 AGAR</i> )	Not covered – the Council had a limited assurance review of its 2019/20 AGAR
<b>L.</b> If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/ webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities..	Not applicable – the annual turnover exceeded £25,000.
<b>M.</b> The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations ( <i>evidenced by the notice published on the website and/or authority approved minutes confirming the dates set</i> ).	Yes
<b>N.</b> The authority has complied with the publication requirements for 2019/20 AGAR ( <i>see AGAR Page 1 Guidance Notes</i> ).	Yes
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Not applicable