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

23rd May 2023

Dear Lynn

Internal Audit Report 2023 – final review

I present my second internal audit report for the financial year ended 31st March 2023. My audit work for the year is now complete and a summary of my findings for the year is attached at appendix 1.

There are no outstanding matters arising from previous audit reports. My responses to the assertions included in the internal audit report contained within the AGAR are all positive except for the three which are not applicable to Stratfield Mortimer Parish Council.

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 2022-23

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

<p>J. 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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</p>	<p>Yes</p>	<p>These assertions have been met.</p>
<p>K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt.</p>	<p>N/A</p>	<p>Not covered – the Council had a limited assurance review of its 2021/22 AGAR</p>
<p>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 any relevant legislation.</p>	<p>Yes</p>	<p>*** Please note the wording of this assertion has changed this year ***</p> <p>AGARs for the past five years are available on the website as required by the Accounts and Audit Regulations 2015.</p> <p>Councils are encouraged to comply with the Transparency Code 2015 (see PG 5.73). Most of the data is currently available and the Clerk is in the process of reviewing the remainder of the requirements of the Code and Council compliance with them.</p>
<p>M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations</p>	<p>Yes</p>	<p>Yes, the Council correctly provided for the period for the exercise of public rights.</p>
<p>N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).</p>	<p>Yes</p>	<p>Yes the correct documents were published and deadlines were met.</p>
<p>O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.</p>	<p>N/A</p>	<p>Not applicable</p>