

# Claire Connell MA, ACA, CTA

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

31<sup>st</sup> May 2024

Dear Lynn

## **Internal Audit Report 2024 – final review**

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. My internal audit testing was based on the guidelines included in the JPAG Governance & Accountability Practitioners Guide. A series of tests using the financial records, vouchers, minutes, previous audit reports etc was conducted to establish the effectiveness of the internal controls.

I am pleased to report that I have satisfactorily completed my internal audit review for the year and a summary of my findings for the year is included in Appendix 1. I have therefore signed the internal audit report contained within the AGAR with no comments necessary.

Once again it is clear that the Council and its officers takes governance, policies and procedures seriously. The control systems and procedures are efficient and effective and financial records are well maintained.

Yours sincerely



Claire Connell

### Appendix 1: Summary of internal audit work covered in 2023-24

<u>Annual Return Section</u>	<u>Objective met?</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.	Yes	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.	Yes	Minutes, Standing Orders, Financial Regulations, insurance cover and the Risk Register indicate that there are proper risk assessment and management procedures.  The Financial Regulations were updated in during the year and are currently being reviewed again as a new model template has been released.  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.	Yes	Budgeting and reporting are carried out in a thorough and manner.  Monthly reports are provided to Council.  The budget and precept were approved in January 24. Earmarked reserves were reviewed as part of the budgeting process.
<b>E.</b> 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.
<b>F.</b> 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
<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.	Yes	Payroll is operated correctly in-house using The Payroll Site.
<b>H.</b> 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.
<b>I.</b> 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.  The year end reconciliations were checked.

<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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Yes	These assertions have been met.  The accounts are prepared on an income and expenditure basis and debtors and creditors are properly recorded.
<b>K.</b> If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt.	N/A	Not covered – the Council had a limited assurance review of its 2022/23 AGAR
<b>L.</b> 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.	Yes	AGARs for the past five years are available on the website as required by the Accounts and Audit Regulations 2015.  The Council also publishes information in accordance with the Transparency Code 2015.
<b>M.</b> 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	Yes	Yes, the Council correctly provided for the period for the exercise of public rights.
<b>N.</b> The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	Yes	Yes the correct documents were published and deadlines were met.
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	N/A	Not applicable