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The Members of Brimpton Parish Council
c/o Mrs C McGarvie
Clerk to Brimpton Parish Council
71 Pelican Road
Pamber Heath
Tadley RG26 3EL

1st May 2020

Dear Ladies and Gentlemen

Internal Audit Report for the year ended 31st March 20120

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. In April 2020 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. The internal controls in place were confirmed 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 annual internal audit report in the Annual Governance & Accountability Return)

As part of the testing I checked:

- A. Appropriate accounting records have been properly kept throughout the year**
 - The accounts have been maintained in an Excel spreadsheet which is quite adequate for councils of this size. The accounting records have been kept up to date.
- B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was 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.
 - The Council now has a corporate credit card for use by the clerk. This is paid in full by direct debit each month. Only one item was purchased using the card during the year.

- C. Council has proper risk assessment & management procedures**
- Council minutes were scrutinised
 - Insurance cover is obtained using a broker which specialises in parish council insurance.
 - Standing Orders and Financial Regulations were updated in May 2019.
 - A monthly finance report showing receipts and payments and a bank reconciliation is taken to Council each month.
- D. The Precept resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate**
- The reports for the budget for 2020-21 were reviewed and the process appeared thorough. The budget setting process included a review of reserves held by the Council.
 - Quarterly reports showing income and expenditure against budget were provided to the Council.
- E. Expected income was received, recorded and banked; VAT appropriately accounted for**
- The Excel spreadsheet was reviewed
 - The precept was agreed to Council minutes and bank statements
 - The VAT claim for the year was reviewed.

Observation

- The Financial Regulations require quarterly VAT reclaims which may be extended to six monthly claims where there is no need for more frequent claims. If the Council wishes to move to annual claims (which given the level of expenditure and reserves does not appear unreasonable), then the Financial Regulations should be amended.

- F. Petty Cash expenditure supported**
- No petty cash is maintained by Brimpton Parish Council
- G. Payroll properly prepared, authorised and PAYE/NI requirements fulfilled**
- Payroll is prepared in house using the HMRC basic tools package. No problems were identified.
- H. Fixed assets register properly reflects the Council's assets**
- The fixed asset register is maintained in Excel and has been updated for the movements in fixed assets this year.
- I. Periodic and year-end bank reconciliations properly carried out**
- The bank reconciliations were reviewed. The Chairman has initialled bank statements and reconciliations on a monthly basis throughout the year.
- J. Accounting statements and annual return**
- The financial statements, annual return and supporting documentation for the annual return were reviewed and agreed.
- K. If the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt**
- The Council did meet the exemption criteria in 2018/19 and correctly declared itself exempt.
- L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations**
- The Council did make the necessary provision for the exercise of public rights in the summer of 2019.

M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

- The Council is not a trustee of any trust fund

Review of previous audit reports

There are no matters outstanding from previous audit reports.

I trust that these comments are self-explanatory, but please do not hesitate to contact me if you would like further details.

Yours faithfully



Claire Connell