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Mr Mike Balbini
Clerk to Shinfield Parish Council
Shinfield Parish Hall
School Green
Shinfield
Berkshire RG2 9EH

10th May 2021

Dear Mike

Internal Audit report for the year ended 31st March 2021 - final review

Further to my review of Alan Harland's accounts' file and correspondence with Jane Mason and yourself, I am pleased to report that I have completed my internal audit review. This was carried out remotely due to government guidance regarding coronavirus.

My final work concentrated on fixed assets and the final accounts. A summary of my findings for the year is attached in Appendix 1. I should like to draw the following matters to your attention:

Exercise of Public Rights and publication of other audit related documents

As reported in my interim report, I will be stating that the exercise of public rights was not correctly carried out in accordance with the requirements of the Accounts and Audit Regulations. This is due to the fact that the period initially advertised for the AGAR was not for the full 30 days as required.

I am also unable to state that the Council complied with the publication requirements set out on page 1 of the AGAR as the notice of conclusion was published a day late on the website.

Signing of the audit report

The external auditors have stated that my internal audit report gives important evidence for the Council to consider when completing assertions 2 and 6 on the governance statement. My two audit reports this year should therefore enable the Council to approve the Annual Return in the knowledge that the internal audit for the year is complete. I will wait until the Members have approved the Return, and assuming that the figures on the Return are as agreed during my visit and the responses to the assertions in the assurance statement are affirmative (with the exception of the assertion regarding the exercise of public rights), I will then sign my section of the Return and my internal audit will be unqualified with the exception of sections M and N (exercise of public rights and publication of documents).

Yours sincerely



Claire Connell

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

<u>Annual Return Section</u>	<u>Comments</u>
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes: Rialtas software (which is designed for local councils) is used for the accounting and is kept up to date. Guidance is sought from professionals regarding VAT and other matters.
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. Procurement procedures were properly followed.
C. 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.
D. 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 robust manner.
E. 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 the testing and review of income systems.
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	There were no problems identified with the operation of petty cash. Transactions are low in number and value.
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.	Payroll is operated in-house – no problems were identified.
H. Asset and investments registers were complete and accurate and properly maintained.	The fixed assets register is maintained in Excel and was updated for changes in the year.
I. Periodic and year-end bank account reconciliations were properly carried out.	Monthly reconciliations are performed and reviewed by a Councillor on a monthly basis.
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	These assertions have been met.

where appropriate debtors and creditors were properly recorded.	
K. <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
L. 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.
M. 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 (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	The Council did not provide the proper opportunity for the exercise of public rights as the initial period set was for 29 rather than 30 days.
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	No, the authority did not comply with the publication requirements for the 2019/20 AGAR as the notice of completion was posted on the website after the deadline set by the Accounts & Audit Regulations (as amended for Coronavirus).
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Not applicable