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30 May, 2022

The Parish Clerk

Stratfield Saye Parish Council

Oakridge,

New Street,

Stratfield Saye,

Reading RG7 2EJ

Dear Louise

**Stratfield Saye Parish Council Internal Audit Report Letter for Council 2021/2022**

**April 2021 –March 2022**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2021-22 Annual Governance and Accountability Return (AGAR).

We have complied with the legal requirements and proper practices set out in:

- 'Accountability and Governance for Local Councils – A Practitioners' Guide (England)' 2021
- The Accounts and Audit (England) Regulations 2015 (as amended).

The Parish Clerk agreed that the internal audit review could be carried out remotely, but consultations have continued by video link the Clerk. The Clerk has also provided back-up information for the period April 2021 to March 2022 to support the current governance and financial management position of the Council.

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Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's website.

A series of independent audit tests were undertaken from the information made available to ascertain the efficiency and effectiveness of these internal controls.

The Parish Council will need to submit a Certificate of Exemption to the External Auditor for 2021/2022 as their income and expenditure falls below the threshold of £25,000 that requires the Parish Council to have an External Audit.

A full check was also carried out on completion of the Accountability and Governance Annual Return (AGAR) for 2021/2022 to ensure that the Parish Council will be able to adhere to the Transparency Code Regulation 2015.

As part of this Internal Audit Review, we checked that:

#### **Bank Reconciliations**

- the financial totals as at 31 March 2021 had been brought forward accurately.
- any un-presented information and un-banked income as at 31 March 2021 were checked to bank statements to verify these were banked in April 2021.
- all payments were checked and accounted for the period 1 April 2021 to 31 March 2022.
- all income was banked and agreed to bank statements for the period 1 April 2021 – 31 March 2022.
- bank reconciliations for the bank account had been carried out between 1 April 2021 – 31 March 2022, and totals agreed to those shown in the Cash Book.

#### **Income and Expenditure**

- all un-presented information as at 31 March 2022 was confirmed and that the details are accurate to the records held by Parish Council.
- test checks of the Cash Book totals for April 2021 – March 2022 were checked to payment information to ensure that the details were correctly recorded, and VAT elements extracted correctly.
- Income recorded in the bank accounts was checked to ensure the details matched to those entries shown in the Cash Book.

#### **VAT**

- No VAT reimbursement claim has been submitted to HMRC for 2021/2022 period.

#### **Payroll Information**

**Audit Note:** We continue to note that the current Parish Clerk does not draw any salary from the Parish Council.

#### **Asset Register**

- we confirmed with the Parish Clerk that she has reviewed the Asset Register and has now brought this up to date as at 31 March 2022.

#### **Risk Assessment 2021/2022**

- the risks of the Parish Council were reviewed in May 2021 to ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2021) is met.

#### **Insurance**

- the Insurance Cover for the Parish Council is with Hiscox. The current level of cover is sufficient for the size of the Parish Council in 2021/2022.

#### **Parish Council Minutes**

- we checked the details of Parish Council Minutes on the Council website from April 2021 to March 2022 to record points of note for any financial approval or decision that affected the budget of the Parish Council and to ensure that details were correctly shown in the Financial Ledger.

#### **Exercise of Public Rights 2021**

- The 2021/2022 AGAR Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations during 2021/2022.

- This includes the Internal Auditor being shown evidence that the posting of the Notice on the website was done at least one clear day before the 30-working day period begins.

***Audit Note: We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 as it failed to display the exercise of public rights notice on the website. We are unable to confirm that the period for the Exercise of Public Rights covered the first 10 days of July 2021. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2021/21 and ensure that it makes proper provision for the exercise of public rights during 2022/23. We have also answered No to Control Objective M and N on the Annual Internal Audit Report 2021/2022.***

#### **Transparency Code Regulation 2015**

- As the Parish Council has an annual turnover not exceeding £25,000 the Internal Auditor is asked to check that the Council have published information on their website that is in accordance with the mandatory requirements of the Transparency Code Regulation 2015.

#### **End of Year Procedures**

A full check was carried out on the End of Year documentation provided by the Parish Clerk to confirm the accuracy of the details. This also included the validation of any variances of totals between 2020/21 and 2021/22 shown on the AGAR in Section 2 as required by the External Auditor which is over 15%.

All other information provided confirms the accuracy of the details to be shown in Section 2 of the AGAR and therefore we have signed the internal audit report on the AGAR for 2021/2022.

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**Audit Opinion**

The Parish Council are required to adhere to the Accounts and Audit Regulations 2015 including the period for the Exercise of Public Rights to be fully completed and along with the copy of the exemption certificate; publish the details on the Parish Council website before the 1 July 2022.

This letter report should be circulated for the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report Letter should also be Minuted by the Parish Council.

Yours sincerely,

Tim Light FMAAT - Internal Auditor