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The Members of Goring Heath Parish Council
c/o Ms Amanda Holland
Clerk to Goring Heath Parish Council
2 New Buildings
Whitchurch Hill
RG8 7PW

6th June 2023

Dear Ladies and Gentlemen

Internal Audit Report for the year ended 31st March 2023

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. During my visit in May 2023 I met with the Clerk and with Peter Dragonetti and I reviewed the financial systems and controls for the year ended 31st March 2023, together with the draft AGAR.

My internal audit testing was based on the guidelines included in the 2022 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

Overall the accounts and internal control systems are adequate for a council of this size.

The accounting statements have been prepared on a receipts and payments basis this year and therefore the figures for the previous year have been restated so they are shown in the same format. This simplifies the end of year accounting for the Council and is quite adequate for this council.

I have been unable to agree that the control objective N has been achieved as the external audit report and notice of conclusion were not posted on the Council website before 30th September as required by legislation. This problem also arose in the previous year and the external auditors commented in their report last year that as a result, the Council should have answered "no" to assertion 4 of the Annual Governance Statement.

I have listed my detailed findings in Appendix 1 to this report.

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

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	The accounts have been maintained in an Excel spreadsheet, which is quite adequate for a council of this size. I understand the accounts spreadsheet has recently been adapted to permit easier comparison of expenditure against budget. 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 was appropriately accounted for.	Yes	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. Payments are generally made online by the Clerk, with the major exception being the Clerk's salary which is paid by a Councillor who also has access to the bank account.
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 Management Policy indicate that there are proper risk 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.	Yes	A quarterly review of receipts and payments against budget has been provided to the Council during the year. The budget setting process appeared robust –the precept was determined from the budget.
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	No issues arose during the review of income. The precept was agreed to Council minutes and the precept spreadsheet compiled by MHCLG. A VAT claim was received in the year for the three previous years. VAT claims should now be made annually. Grants were reviewed and agreed to bank statements and minutes
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A	No petty cash is held by the Council
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and	Yes	Payroll is operated correctly in-house using the basic tools package.

NI requirements were properly applied.		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes	The fixed assets register is maintained in Excel. There was no movement in assets this year.
I. Periodic and year-end bank account reconciliations were properly carried out.	Yes	Monthly reconciliations are performed and are reviewed by councillors.
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.	Yes	As noted above, the Council is now preparing its accounting statements on a receipts and payments basis. This means that the VAT debtor arising at the year end is not recognised within the accounting statements but it is simply treated as income in the following year when it is received.
K. 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
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 the relevant legislation	Yes	*** The wording of this objective has changed this year *** The Council provides the AGARs for the past five years on its website in accordance with the Accounts and Audit Regulations 2015.
M. In the year covered by this AGAR, the authority correctly provided for a 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.
N. The authority has complied with the publication requirements for 2021-22 AGAR (see AGAR Page 1 Guidance Notes).	No	Although the correct documents were published, the deadline of 30 th September was not met as the notice of conclusion was dated 1 st October.
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	The Council is trustee of Whitchurch Hill Recreation Ground which is registered with the Charity Commission (reg. no. 304389). There is no income or expenditure for the charity.