

I have conducted an Internal Audit for Barsham Parish Council for 2018/19. I would like to thank the Clerk for providing me with all the required paperwork for the audit. I have undertaken random testing of key controls areas, such as book keeping, financial controls, risk management, payroll, VAT and budgetary controls.

I have been unable to complete all boxes of AGAR (Page 4) with a *YES* response. The information below details the reasons for my *NO* responses – Box B (No financial regulations and VAT was not appropriately accounted for); Box C (No risk management in place); Box H (No asset register) and makes other advisory comments.

I note that the *Clerk has already prepared draft documents* which the council must adopt to correct this position in 2019/20 and has submitted a claim going back several years to HMRC for VAT (£494).

#### *Financial Controls*

Standing Orders. Standing Orders detail the governance of the council at meetings and with its procedures. It should be reviewed at least every third year.

Financial Regulations. Financial Regulations detail the financial governance of the council. It should be reviewed every third year or when financial practices change.

Risk Management. This is a document which identifies risk for the Parish Council and ways of reducing those risks. This is something which should be adopted by the Council, and reviewed annually.

#### *Other Advisory Comments*

##### *Asset Register*

The Council has an asset register for 2019/20 detailing items it owns totalling £10664. The Asset box on AGAR 2017/18 details £.11404. The property section of the Insurance Schedule includes a total of £5005. So, there are some differences which need to be clarified. It would be a good idea for councillors to check on site the assets that the council owns, and agree what should be included in the property section of the insurance schedule. That check can also reveal any future maintenance requirements.

Box 9 of the Accounting Statement for AGAR 2019/20 must include the new bench bought in 2018/19.

##### *Agar*

The Council exempted itself from external audit in 2017/18. (as its receipts and payment were less than £25,000) This should be a minuted item, followed by a minuted item for the approval of AGAR (Section 1) the Annual Governance Statement and then a minuted item for the approval of AGAR (Section 2) the Accounting Statements. For AGAR 2018/19 the Council should tick NO for Box 2 and 5 of Section 1.

##### *Reserve Funds*

It is a good idea for a Council to have identified Earmarked Reserve Funds. The Council should detail the purpose of any Reserve Funds. e.g.