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Our Ref: [redacted]

[redacted]
Polegate Town Council
Council Offices
49 High Street
Polegate
East Sussex
BN26 6AL

16th December 2022

Dear [redacted]

Re: Polegate Town Council
Internal Audit Year Ended 31 March 2023 – Interim Audit report

Executive summary

Following completion of our interim internal audit on 16th December 2022 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date.

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified. Testing requirements follow those detailed in the audit plan previously sent to the council, a copy of this is available on request. The report concludes with an opinion as to whether each assertion has been met or not at the interim audit. Where appropriate **recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor at this time, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures seriously and I am pleased to report that overall, the systems and procedures you have in place are fit for purpose and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well-ordered system.

It is therefore our opinion that the systems and internal procedures at Polegate Town Council are well established and followed.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit's function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily. The internal audit reports should therefore be made available to all Members to support and inform them when they considering the authority's approval of the annual governance statement.

Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor has over 30 years' experience in the financial sector with the last 20 years specialising in local government finance and internal audit.

Engagement Letter

An engagement letter was previously issued to the council covering the 2022/23 internal audit assignment. Copies of this document are available on request.

Planning and inherent risk assessment

The scope and plan of works including fee structure was issued to the council under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR. As part of the inherent risk assessment, we have concluded that:

- There have been no reported instances of breaches of regulations in the past
- The client uses an industry approved financial reporting package
- The client regularly carries out reconciliations and documents these
- There is regular reporting to council
- The management team are experienced and informed
- Records are neatly maintained and referenced
- The client is aware of current regulations and practices

It is our opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be "walk through testing" on sample data to encompass the period of the council year under review.

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C	RISK MANAGEMENT AND INSURANCE (INTERIM AUDIT)	✓	N/A	5
D	BUDGET, PRECEPT AND RESERVES (INTERIM AND FINAL AUDIT)	✓	✓	6
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F	PETTY CASH (INTERIM AUDIT)	N/A	N/A	7
G	PAYROLL (INTERIM AND FINAL AUDIT)	✓	✓	7
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I	BANK AND CASH (INTERIM AND FINAL AUDIT)	✓	✓	7
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K	LIMITED ASSURANCE REVIEW (FINAL AUDIT)	N/A	N/A	9
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M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS (INTERIM AND FINAL AUDIT)	✓	✓	10
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A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been properly kept throughout the financial year.

Audit findings

The council continues to use the Rialtas package to record the financial transactions of that of the council. This an industry specific accounting package and the system is used regularly to report and record the financial transactions of the council. The system also encompasses, allotments, purchase ledger and bank. It provides for reconciliation of key control accounts and regular reporting against budget.

There are four users, the system is cloud based, and access is by secure log on to the local machine and a separate password for the cloud system. Passwords are not automatically prompted for change.

1. Clerk & RFO – full access,
2. Finance assistant
3. Allotments
3. Outside Contractor (Rialtas)

Every month, the Clerk/RFO, produces soft copy reports which are filed in logical order on the “NAS” drive, these are also printed in hard copy for council use in the meetings. Hard copy supplier invoices and bank statements are filed in folders in the office. I reviewed the hard copy and soft copy folders and can confirm supplier invoices and bank statements were in evidence.

The system requires the population of key data fields to enable the user to record a transaction with sufficient detail to understand the nature and scope of the transaction. This is a clear and easy to follow system and a review of the system shows that all data fields are being entered, the reports are easy to read and logically filed.

My walk-through audit testing of receipts and payments to underlying documentation chosen at random showed that the source documents could be located in the council records, although for the allotment receipts it was a little trickier and the audit trail could be made a little more robust.

I tested opening balances as at 1/4/22 and confirmed they could be agreed back to the audited accounts for 2021/22.

The Council is VAT registered. The last VAT reclaim was for the period ended 30th September 2022 and was for £6,829.08. The refund was received 26th October 2022 and agrees to the nominal ledger. I can confirm that the entries shown on the reclaim agreed to the cashbooks. This test indicates that the council is up to date with its postings on the financial package and that these can be verified to third party evidence.

B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Audit findings

Check the publication & minuting of the prior year audited AGAR and notice of conclusion of audit.

The external auditors report was not qualified in 2021-22, this was taken together with the notice of conclusion taken to full council on the 26th September 2022. Minute ref 13104. Both documents have also been posted to the website. This is in accordance with regulations.

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that Councillors sign “Acceptance of Office” forms and register of members interests, in line with regulations.

Each councillor is listed on the website; there is a document dated May 2021 under transparency that details the committees on which all councils sit. This may need updating.

Confirm that the Council is compliant with the GDPR & Accessibility regulations.

The council is aware of GDPR & accessibility regulations, it was noted the Council has common email addresses internally which gives a natural segregation, so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

Confirm that the Council meets regularly throughout the year

The council meets monthly. There are also a few committees/working parties which meet as and when necessary to cover specific tasks. The committees have terms of reference which were adopted in May 2022

Check that agendas for meetings are published giving 3 clear days’ notice.

The clerk was able to demonstrate that at least 3 clear days’ notice is given on both web site and hard copy agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days’ notice of the meeting.

Check the draft minutes of the last meeting(s) are on the council’s website

No minutes for the 2022/23 council year have been uploaded to the website – this is in breach of regulation and **I recommend that the minutes are published as soon as possible.**

I reviewed the minute book and noted that not all minutes have been signed or initialled, again these must be signed off as a true record. **I recommend the minute book is reviewed and the unsigned copies are taken to council and properly approved.**

Confirm that the Parish Council’s Standing Orders have been reviewed within the last 12 months.

The standing orders are based on the NALC model. These were last reviewed and re adopted in May 2022. Minute ref 13030.

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.

Financial regulations are based on the NALC model. These were last reviewed and re adopted in May 2022. Minute ref 13031.

Check that the council’s Financial Regulations are being routinely followed.

Financial regulation 2.2 deals with bank reconciliations. FR *2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman [or a cheque signatory] shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council OR Finance Committee.*

The council is performing regular bank reconciliation for all accounts, in accordance with local regulations.

Financial regulation 4 deals with budgetary control and authority to spend. *"4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:*

• the council for all items over £5,000 unless specifically resolved otherwise;

• ~~a duly delegated committee of the council for items over £5000; or~~

• the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £5000 or otherwise as resolved by council.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee/officer. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement')."

In conducting our walk-through testing, we reviewed the nominal ledger and agreed that there were no instances of netting off and that transactions were posted to the heading to which they related. We did note a number of items purchased above the relevant thresholds and enquired upon these.

The clerk was able to demonstrate that council does make resolutions in respect of excess expenditure. The council uses a separate nominal code to post the non budgeted/excess expenditure to, **I would recommend the minute ref of the resolution is added to the description field to make it easier to note council approval. It is important that council is seen to be monitoring and understanding excess and over budget expenditure.**

Financial Regulation 5 & 6 deal with authorisation of payments. The minutes show authorisation of payments in accordance with regulations. I am under no doubt that council approve payments in the proper manner.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £8.41 (2021: £8.32 per elector.)

The council has no S137 expenditure.

Overall, I am under the impression that the council is following its own regulations, budgets are checked and councillors are authorising expenditure.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Audit findings

The council has a detailed risk management schedules in tabular format. This covers items from business continuity to financial controls. This type of simple reporting lends itself to a council of this size and I make no recommendation to change. I am under no doubt the council manages risk appropriately. This is updated in February each year.

I have confirmed that the Council has a valid insurance certificate. The Council reviews its insurance requirements as part of the renewal process. The council is insured with Zurich. Asset cover seems consistent with the asset register, and money cover is adequate for a council of this size. The certificate is in date.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

I confirmed that the 2022-23 budget and precept setting process was completed and approved by council at the meeting held in January 2022, which is within the timescales set within the financial regulations and submitted its application on time to the precepting authority.

I confirmed the 2023/24 budget setting process was underway at the time of the audit.

Councillors receive regular reports on budget against actuals, and as noted above council does spend over budget. Whilst this is discussed and approved at council and therefore in accordance with regulation, it does indicate that the initial budget setting process and any business plans are not routinely followed and as such their validity can be called into question. I remind council that the budget and the financial regulations [4.1 & 4.2] surrounding expenditure are there as key controls to prevent uncontrolled spending and to show that councillors are in control of the finances and have a defined expenditure plan. **I recommend council review carefully the 2023/24 budget to ensure overspends and excess spend is kept to a minimum.** This will also enable the clerk to plan and schedule work in a time efficient manner.

In 2021/22 the council made a surplus of £298,688 (2020/21 a surplus of £143,309) at the same time bank and cash balances increased by £262,218 to £1,028,930. The latest budget report indicates the 2022/23 year-end position will be a further surplus of circa £50k. This will result in closing reserves of circa £1,056,954.

The council has two classes of reserves, it is therefore anticipated the year end closing balances will be in the region of:

1. General £260,050
2. Earmarked inc Cil £796,904k

As council is aware it does not have the power to accumulate general reserves. Rule of thumb calculations suggest that 50% of regular expenditure/precept should be retained in general reserves. At a precept level of £350k, and expenditure of £350 to £380k, I would expect to see general reserves in the region of £150k. **I am of the opinion the general reserve is a too high for a council of this size and that council should review its reserves. It is likely a report will need to be sent to the external auditor along with the AGAR explaining the high level of reserves, because these are now more than twice the level of the precept.**

I remind council that earmarked reserves should only be used for genuine projects that have a definable end date and that "generalised" or "disguised" earmarked reserves should be discouraged.

E. INCOME

Internal audit requirement

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Audit findings

The council has multiple income sources to support the precept, including, grants, lettings, burials, allotments, and other miscellaneous sources.

A review of the nominal ledger report and cashbooks shows income is clearly recorded with sufficient narrative description to identify the source. There was no evidence of netting off and the income item appears to be posted to the correct heading to which the expenditure related.

I verified the precept to minute evidence – there were no errors, and I was able to see via the minutes that council approvals annual charges.

Annual charges were last reviewed in May 2022.

F. PETTY CASH

Internal audit requirement

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.

Audit findings

The council has minimal petty cash – this was tested at the audit date – there were no errors.

G. PAYROLL

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

The payroll is processed by an external firm. Salary approvals are part of the general payments approval process.

The council has fulfilled its obligations in respect of auto-enrolment and uses LGPS.

I tested the tax deduction and pay scales there were no errors. I am of the opinion salaries are correctly calculated and paid.

I tested the month 8 PAYE and NI Liability and agreed this to a physical payment made. There were no errors, and I can confirm the PAYE and NI liabilities are paid on time.

H. ASSETS AND INVESTMENTS

Internal audit requirement

Asset and investments registers were complete and accurate and properly maintained.

Audit findings

The Council has a fixed asset register in place. Assets are correctly stated at historic or proxy cost. The fixed asset register has been maintained in an Excel spreadsheet and agreed to the AGAR. The asset register was up to date with all relevant assets as at the current financial year end.

The Council does not hold any long term investments i.e. over 1 year. The council does have a PWLB loans and these agree to the statements. The fixed asset register agrees to the AGAR and it is possible to identify the various movements in year.

The financial regulations state *"FR: 14.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets."*

The clerk was able to demonstrate that there is continual review.

I. BANK AND CASH

Internal audit requirement

Periodic and year-end bank account reconciliations were properly carried out.

Audit findings

The bank reconciliations for all accounts are completed on a monthly basis and are presented to councillors for review. I can confirm monthly reconciliations are properly completed and signed in accordance with regulations.

I was able to confirm all the balances to the bank statements and found no errors.

Due to the council's budget exceeding €500,000, it does not benefit from protection from the Financial Services Compensation Scheme (FSCS). However, it does have an agreed investment policy that is clearly defined and posted to the website, this is in the process of being updated.

J. YEAR END ACCOUNTS

Internal audit requirement

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.

Section 1 – Annual Governance Statement

	Annual Governance Statement	*'Yes' means that this authority*	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	*prepared its accounting statements in accordance with the Accounts and Audit Regulations.*	**YES** –accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	*made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*	**YES** – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*	**YES** – the Clerk advises the council in respect of its legal powers.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	*during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*	**YES** – the requirements and timescales for 2021/22 year-end were followed.
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	*considered and documented the financial and other risks it faces and dealt with them properly.*	**YES** – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	*arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.*	**YES** – the council has appointed an independent and competent internal auditor has completed two audits during the year.
7	We took appropriate action on all matters raised in reports from internal and external audit.	*responded to matters brought to its attention by internal and external audit.*	**YES** – where matters are raised, action taken by council is recorded in the minutes.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	*disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*	**YES** – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	*has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*	**N/A**

Section 2 – Accounting Statements

AGAR box number		2020/21	2021/22	Auditor notes
1	Balances brought forward	564,957	708,266	Agrees to carry forward (box 7)
2	Precept or rates and levies	349,877	354,402	Figure confirmed to central records
3	Total other receipts	232,875	326,718	Agrees to underlying records
4	Staff costs	112,271	117,500	Agrees to underlying records
5	Loan interest/capital repayments	5,573	5,573	
6	All other payments	321,599	259,359	Agrees to underlying records
7	Balances carried forward	708,266	1,006,954	Casts correctly and agrees to balance sheet

8	Total value of cash and short-term investments	766,712	1,028,930	Agrees to bank reconciliation
9	Total fixed assets plus long term investments and assets	985,122	1,026,884	Matches asset register
10	Total borrowings	21,888	19,717	Confirmed to PWLB statement

11	For Local Councils Only) Disclosure note re Trust funds (including charitable)	YES	NO	N/A	
				✓	

The year-end accounts have been correctly prepared on income and expenditure basis, with a box 7 and 8 reconciliation properly completed.

The variance analysis was required because there were variances greater than 15% and £500. This was properly prepared on a summary table basis showing the financial elements and explanatory narrative.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")

Audit findings

The council did not certify itself exempt in 2021/22 due to exceeding the income and expenditure limits and this test does not apply.

L: TRANSPARENCY

Internal audit requirement

The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

Audit findings

The council has income and expenditure in excess of £200,000 and as such is required to follow the "Local Government Transparency Code 2015" which is recommend practice not law. The Code requires local authorities in England to publish the following information quarterly:

Expenditure exceeding £500	
Government Procurement Card transactions	
Procurement information	

Additionally, local authorities are required to publish the following information annually:

Local Authority Land	

Social Housing Assets	
Grants to voluntary, community and social enterprise organisations	
Organisational Chart	
Trade union facility time	
Parking account	
Parking spaces	
Senior salaries	
Constitution	
Pay multiple	
Fraud	

A review of the web site shows the council is in part following this; however, in the spirit of transparency the information could be made easier to locate. **I would recommend the council update the website and I have sign pointed the RFO to a website that shows transparency as best practice.**

https://www.salisburycitycouncil.gov.uk/your-council/transparency-code

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority, during the previous year (2021-22) 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).

Audit findings

I confirmed that arrangements are in place at this council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

Inspection - Key date	2021/22
Date Inspection Notice Issued	25 April 2022
Inspection period begins	10 June 2022
Inspection period ends	13 June 2022
Correct length	22 July 2022
Common period included?	Yes

I am satisfied the requirements of this control objective were met for 2021/22.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority has complied with the publication requirements for 2021/22. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2022 authorities must publish:
- *Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited*
- *Section 1 - Annual Governance Statement 2021/22, approved and signed, page 4*
- *Section 2 - Accounting Statements 2021/22, approved and signed, page 5*

Not later than 30 September 2022 authorities must publish:
- *Notice of conclusion of audit*
- *Section 3 - External Auditor Report and Certificate*
- *Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.*

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings

I was able to confirm that the publication requirements for 2021/22 have been met and the Notice of Public Rights and notice of conclusion is published on the council website.

O. TRUSTEESHIP

Internal audit requirement

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Audit findings

The council does not have any trusts, this test does not apply.

Achievement of control assertions at interim audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives are summarised in the table below. A further review and update of this opinion will be conducted at the final audit.

	INTERNAL CONTROL OBJECTIVE	YES	NO	NOT COVERED
A	Appropriate accounting records have been properly kept throughout the financial year	✓		
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	✓		
C	This authority assesses the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	✓		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for	✓		
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.	✓		
H	Asset and investments registers were complete and accurate and properly maintained.	✓		
I	Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
K	If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")*			✓
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M	The authority, during the previous year (2021-22) 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).*	✓		
N	The authority has complied with the publication requirements for 2021/22 AGAR.	✓		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please do not hesitate to contact me.

Yours sincerely

[redacted]

Mark Mulberry
For Mulberry & Co

Interim Audit - Points Carried Forward

Minutes	**I recommend that the minutes are published to the web site as soon as possible.** I reviewed the minute book and noted that not all minutes have been signed or initialled, again these must be signed off as a true record. **I recommend the minute book is reviewed and the unsigned copies are taken to council and properly approved.**	
Financial regulation – virements and authorisation of expenditure.	**I would recommend the minute ref of the resolution is added to the description field to make it easier to note council approval. It is important that council is seen to be monitoring and understanding excess and over budget expenditure.**	
Reserves	**I am of the opinion the general reserve is a too high for a council of this size and that council should review its reserves. It is likely a report will need to be sent to the external auditor along with the AGAR explaining the high level of reserves, because these are now more than twice the level of the precept.** **I remind council that earmarked reserves should only be used for genuine projects that have a definable end date and that "generalised" or "disguised" earmarked reserves should be discouraged.**	
Budget	**I recommend council review carefully the 2023/24 budget to ensure overspends and excess spend is kept to a minimum.**	
Transparency	**I would recommend the council update the website and I have sign pointed the RFO to a website that shows transparency as best practice.**	