MULBERRY & CO
Chartered Certified Accountants
& Chartered Tax Advisors

Eastgate House
Dogflud Way, Farnham
Surrey, GU9 7UD

t + 44(0)1483 423054
e office@mulberryandco.co.uk
w www.mulberryandco.co.uk

Our Ref: MARK/POL001

Ms J Tricker
Polegate Town Council
Council Offices
49 High Street
Polegate
East Sussex, BN26 6AL

13th December 2023

Dear Jo

Re: Polegate Town Council
Internal Audit Year Ended 31 March 2024 – Interim Audit Report.

Executive summary

Following completion of our interim internal audit on the 13th of December 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.**

The interim audit was conducted on site with the clerk and RFO. The clerk and RFO had prepared the information advised in advance of the visit and provided a pack of evidence in pdf format. I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the clerk and a review of the council website https://polegatetowncouncil.gov.uk/

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. We noted that training takes place.

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.

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 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.
- No High staff turnover

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.

Table of contents –

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 RBS Rialtus suite as a day-to-day accounting package, this is a tried and tested industry specific package and I make no recommendation to change. The system is used daily to report on and record the financial transactions of that of the Council.

There are four users with their own individual logons and individual privileges. The RFO is responsible for the maintenance of privileges on the system. Passwords are not routinely prompted to change, and each user has to log onto the council system first before access to the financial reporting package. The system is backed up to the cloud on a real time basis.

1.	RFO	Access all areas
2.	Finance officer	Access all areas
3.	DSO/Allotments	Allotments
4.	Admin assistant	Allotments

Every month, a "month end" close down is performed by the RFO, various reports are printed and filed in hard & soft copy, these include but are not limited to, income and expenditure against budget, bank reconciliations and other reports as fit. I was showed where the files are kept and can confirm existence of hard copy reports and underlying financial documentation.

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

I conducted a simple walk-through test on a supplier invoice drawn at random and a receipt drawn at random and can confirm the underlying documentation could be found and agreed to the cashbook details. Invoices are filed in alphabetical order.

I tested the opening balances as at 1/4/23 by reviewing the balance brought forward on the receipts page on the RBS accounting package for cashbook one and confirmed it could be agreed back to the investment reconciliation for the audited accounts for 2022/23. There were no errors.

I reviewed the nominal ledger entries for the period 1st of April to 31st of October to ensure items were posted to the correct heading it was noted that there were no instances of income being netted off against expenditure.

The Council is VAT not registered and the last VAT reclaim was for the quarter ended 30th September 2023, which showed a payment position of £17,373.14. The refund was received on the 8th of November 2023 and agrees to the return. 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.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change.

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.

External auditors report was not qualified in 2022/23 although a note was made regarding the incorrect notice of elector's rights date. The AGAR is published on the council website along with the notice of conclusion. This was taken to full council on the 25th of September [minute ref 13390].

The council has made a note to address the concerns raised by the external auditor.

Confirm by sample testing that councillors sign statutory office forms.

I confirmed by sample testing that Councillors sign Acceptance of Office forms, and declaration of interest in accordance, together with a formal acceptance to receive information by electronic means.

Confirm that the Council is compliant with the GDPR.

The council is fully aware of GDPR and accessibility regulations. It was noted the council has established common email addresses for all councillors. This is recommended because it gives a natural segregation between work and personal lives, making it clear beyond doubt in what capacity a councillor is acting. In addition to this it gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

The Joint Panel on Accountability and Governance (JPAG) Practitioner's Guide (March 2023) contains updated guidance on the matter as below:

The importance of secure email systems and GOV.UK

5.205. All authorities except parish meetings must now have an official website. To comply with GDPR, councils should provide official email accounts for their councillors as well as for their clerk and other officers.

5.206. When choosing a domain name for the council's website and emails, many local council websites are appropriately making use of the official GOV.UK domain (for example, ourparishcouncil.gov.uk), with email addresses being linked to that domain.

5.207. Using a GOV.UK domain for your council website and email accounts demonstrates the council's official local government status. Members of the public are increasingly cyber security awareness, so a GOV.UK domain can also help to build trust, and credibility and visibly demonstrates authenticity. Many people will now reasonably expect a local council to have a GOV.UK domain name.

5.208. For the purposes of user management, councils should ensure that the proper officer can add and remove member and staff email accounts. Commercial 'dashboard' email and web systems offer centralised searching of all data contained within the system for effective compliance with GDPR Subject Access Requests and Freedom of Information Requests.

Confirm that the Council meets regularly throughout the year.

In addition to full council, the council has four committees. The terms of reference are published on the council website and are current with dates for future renewal.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £9.93 (2023: £8.82) per elector.

The council has the General Power of Competence (GPC). S.137 thresholds do not apply. This was reaffirmed on the 22nd of May by full council minute ref 13290.

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 agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance. The agenda background information is provided in easily downloadable links.

Check the draft minutes of the last meeting(s) are on the council's website.
Minutes are uploaded to the council website, and these are in an accessible format.

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 reviewed and readopted in the full council meeting on the 22nd of May 2023.

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.
Financial regulations are based on the NALC model. These were reviewed and readopted in the full council meeting on the 22nd May 2023**.** The regulations being based on the NALC model contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

Check that the council's Financial Regulations are being routinely followed.
Financial regulations 2.2 deals with bank reconciliations. The council is performing a regular reconciliation which in the past has been fully signed off in accordance with regulations; however, it is noted the face of the bank statement is not being signed and also the Mayor is signing, when the regulation specifically excludes this. **I recommend the council review the wording of this regulation and update day to practice as necessary.**

Financial Regulation 4 Deals with 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 unless specifically resolved otherwise. This authority is to be determined by: • the council for all items over £5,000 unless specifically resolved otherwise • the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £5,000 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 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').

4.5. In cases of extreme risk to the delivery of council services, the Clerk may authorise revenue expenditure on behalf of the council which in the Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2,000. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter

Financial Regulation 11.1.h deals with tenders, quotes and estimates. h) When it is to enter into a contract of less than £60,000 (exclusive of VAT) in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.

I reviewed the nominal ledger and selected items over £2,000 that were not regular contracts, wages, or insurance. I was able to verify the expense to the physical invoice, and with assistance from the RFO I was also able to verify that council had pre-approved the expenditure in accordance with regulation and that where applicable quotes and estimates had been obtained.
I reviewed Changing Places 26/09/2022 Full council resolved to go ahead with a project minute 13198, Finance committee waived requirement to tender and financial regs on the 10th March 2023 minute ref 13229.

However it was noted that the regulation at 4.1 is very restrictive insofar as it requires the written authorisation of all items below £2,000. **I recommend a lower threshold be introduced, below which the clerk can (within budget) make purchases.**

Financial Regulation 14.2 deals with purchase and sale of assets etc. 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.

14.5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.

There were no fixed asset purchases in the period.

Financial Regulation 5.2 deals with banking arrangements and authorisation of payments. I was able to see evidence of this regulation being followed in spirit, the day to day practice is robust and fit for purpose but does not match the regulation exactly. **I recommend the wording of this Regualtion be updated to match current practice.**

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit, SO and bacs. There is no doubt payments are properly reported to council, approved and the physical payment authorised. The bank system has a dual access requirement.

I am of the opinion the council is following its own regulations and that any changes to financial regulations are to be considered minor and not indicative of errors in the system. I am therefore of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for", has been met.

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

15.1. Following the annual risk assessment (per Regulation 17), the RFO, in consultation with the Clerk, shall affect all insurances and negotiate all claims on the council's insurers.

The council has adopted a Risk Assessment Policy This was most recently approved by council at the meeting held in May 2023. The risk assessment document itself identifies risks by area of the council's business, details the specific risk, determines the likelihood and severity of each risk and lists the mitigation control measures in place.

I reviewed these documents, both of which are publicly available. The council demonstrates a strong understanding of its risk management responsibilities, and the development of the Internal Control Policy illustrates the different types of checks conducted during the year.

I confirmed that the council has a valid insurance policy in place with Aviva which expires on 31st March 2024. The policy includes Public Liability and Employers Liability cover of £10 million each and an Internal Crime (Fidelity Guarantee) level of £250,000 which is adequate for a council of this size. The listed asset cover appears appropriate based on the items recorded on the council's asset register.

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.

Audit findings

I confirmed that full council approved the precept for the 2023/24 council year in its 9th of January 2023 meeting. Minute ref 13199.

The Clerk and RFO confirmed that the 2023/24 budget setting process is underway, with deadlines achievable. The current forecast is for a deficit budget. I warn council about setting deficit budgets due to the impact this has on future precept requests.

I note that there is a regular review of financial information in the Finance Committee and Council meetings, and this is evidenced by the supporting minutes. A review of the income and expenditure report as at the interim audition date shows the council expects to make a £58k surplus this year and is currently at 60% of its expenditure. (This is to be expected at month 7/8)

The council holds circa £740k in earmarked reserves, split into various categories. **I recommend a review of the list as some of these appear aged.**

The current forecast is for the general reserve to be c. £123k at the year-end date. The Joint Panel on Accountability and Governance (JPAG) Practitioner's guide states *'the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure'* (para 5.33). I estimate the council's net revenue expenditure to be c. £350k per annum. Therefore, the general reserve balance is within this range, but at the lower end of the scale. I am at pains to point out that earmarked reserves cannot be used for day-to-day expenditure and as such the bank balances presented at each council meeting need to be viewed in the light of how much of these funds are earmarked for future use.

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

Apart from the precept, the council receives income from a range of income streams, including but not limited to income from the interest, grants and allotments. A review of the nominal ledger report shows that income is recorded with sufficient narrative detail to identify the source and appears to have been allocated to the correct nominal code.

FR 9.3. The council will review all fees and charges at least annually, following a report of the Clerk.

Council reviewed and agreed the annual fees and charges scale in their May 2023 meeting. Minute ref 13288.

A review of the nominal ledger report and cashbooks shows income is clearly recorded with sufficient narrative description to identify the source.

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 a small float of £200 in petty cash. This is used for small incidentals. I reviewed the cash in the tin, this could be reconciled to the cash and Cashbook. This was last used in March 2023.

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 monthly payroll is processed by an external firm (Mulberry & Co). The payroll function is independent from the audit function. We have no cross over of staff. The auditor has had no involvement with the monthly payroll.

I tested the tax calculation – there were no errors. The council has correctly disclaimed the employment allowance. The council has fulfilled its obligations in respect of auto-enrolment.

Monthly PAYE and NI deductions and returns have been submitted online, on time to HMRC. There were no errors recorded or late payments to HMRC during the financial year under review.

All Council employees are paid through the payroll for all Council work undertaken. No employees are paid separately for any other Council work undertaken. I was able to verify the gross pay of the Clerk to the NJC pay scales and also verified the backpay calculation of the national pay increase.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

Per regulation *14.6 The Clerk/RFO shall ensure that an appropriate and accurate Fixed Assets Register 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.* An annual review is scheduled for the council year end.

The council has a fixed asset register, maintained on excel. This was up to date to 31st March 2023; however it appears changes have been made and this no longer reconciles to the AGAR. **I recommend this is reconciled and brought up to date before 31-03-24.**

I. BANK AND CASH

Internal audit requirement

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

Audit findings

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman 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 & Policy Committee.

Bank reconciliations are completed on a regular basis, independently checked, and presented to council meetings for review. I reviewed the reconciliations presented for the interim audit. I was able to confirm the balances to the bank statements and found no errors.

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.

Audit findings

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 internal auditor identified weaknesses in the system– which are being addressed.
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.*	**NO** - the requirements and timescales for 2022/23 year-end were met
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
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	*has met all of its responsibilities where, as a body corporate, it is a sole*	**N/A**

	responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	*managing trustee of a local trust or trusts.*	

Section 2 – Accounting Statements

AGAR box number		2021/22	2022/23	Auditor notes
1	Balances brought forward	708,266	1,006,954	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	354,402	367,485	Figure confirmed to central records
3	Total other receipts	326,718	45,883	Agrees to underlying records – prior year restated for debtors outstanding at the year end
4	Staff costs	117,500	125,011 – 3,546 = £121,465	Agrees to underlying records – prior year restated for staff costs understated And included in a prior year
5	Loan interest/capital repayments	5,573	5,573	Verified against PWLB records
6	All other payments	259,359	253,189 + 3,546 = £256,735	Agrees to underlying records
7	Balances carried forward	1,006,954	1,036,549	Casts correctly and agrees to balance sheet

8	Total value of cash and short-term investments	1,028,930	1,070,009	Agrees to bank reconciliation
9	Tota fixed assets plus long-term investments and assets	1,026,884	1,033,789	Matches asset register
10	Total borrowings	19,717	12,830	Verified against PWLB records

For Local Councils Only		Yes	No	N/A	
11a	Disclosure note re Trust Funds (including charitable)		✓		*The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.*
11b	Disclosure note re Trust Funds (including charitable)			✓	*The figures in the accounting statements above do not include any Trust transactions.*

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

The AGAR correctly casts and cross casts and last year's comparatives match the figures submitted for 2021/22.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

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. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")

Audit findings

The council did not certify itself exempt in 2022/23 due to exceeding the income and expenditure limits and this test does not apply.

L: PUBLICATION OF INFORMATION

Internal audit requirement

The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation

Audit findings

The council's income and expenditure is in excess of £200,000 and as such it is required to follow the "Local Government Transparency Code 2015" which is recommended practice not a statutory requirement.

The 2015 Code requires local authorities in England to publish the following information quarterly:

Expenditure exceeding £500	This is on the transparency tab of the website
Government Procurement Card transactions	Council does not have this
Procurement information	Council does not have this

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

Local Authority Land	This is on the transparency tab of the website
Social Housing Assets	Council does not have this
Grants to voluntary, community and social enterprise organisations	This is on the transparency tab of the website
Organisational Chart	This is on the website
Trade union facility time	Council does not have this
Parking account	Council does not have this
Parking spaces	Council does not have this
Senior salaries	This is on the transparency tab of the website
Constitution	This is on the transparency tab of the website
Pay multiple	This is on the transparency tab of the website
Fraud	Council does not have this

All councils are required to follow The Accounts and Audit Regulations which include the following requirements:

13(1) An authority must publish (which must include publication on that authority's website)

(a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and

(b) the Annual Governance Statement approved in accordance with regulation 6(3)

13(2) Where documents are published under paragraph (1), the authority must

(a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and

(b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

I was able to confirm that pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor's Report and Certificate) of the AGAR are available for review on the council website for the last five years.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority, during the previous year (2022-23) 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

Inspection – key dates	2022/23 Actual
Date AGAR signed by council	26th June 2023
Date inspection notice issued	1st June 2023
Inspection period begins	5th June 2023
Inspection period ends	14th July 2023
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

Audit findings

I was unable to confirm that the inspection requirements for 2022/23 had been met, this is due to re-issue of the AGAR and it being given a later signing date. The Notice of Public Rights is published on the council website.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority has complied with the publication requirements for 2022/23. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2023 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 2022/23, approved and signed, page 4*
- *Section 2 - Accounting Statements 2022/23, approved and signed, page 5*

Not later than 30 September 2023 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 2022/23 have been met and the Notice of Public Rights 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 has no 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 2022/23, 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")*			✓
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 (2022-23) 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 2022/23 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

M Mulberry

Mark Mulberry
For Mulberry & Co

Interim audit 2024 – audit points

Audit Point	Audit Findings	Council comments
Financial regulations	Financial regulations 2.2 deals with bank reconciliations. The council is performing a regular reconciliation which in the past has been fully signed off in accordance with regulations; however, it is noted the face of the bank statement is not being signed and also the Mayor is signing, when the regulation specifically excludes this. **I recommend the council review the wording of this regulation and update day to practice as necessary.** It was noted that the regulation at 4.1 is very restrictive insofar as it requires the written authorisation of all items below £2,000. **I recommend a lower threshold be introduced, below which the clerk can (within budget) make purchases.** Financial Regulation 5.2 deals with banking arrangements and authorisation of payments. I was able to see evidence of this regulation being followed in spirit, the day to day practice is robust and fit for purpose but does not match the regulation exactly. **I recommend the wording of this Regulation be updated to match current practice.**	
Earmarked reserves	The council holds circa £740k in earmarked reserves, split into various categories. **I recommend a review of the list as some of these appear aged.**	
Fixed assets	The council has a fixed asset register, maintained on excel. This was up to date to 31st March 2023; however it appears changes have been made and this no longer reconciles to the AGAR. **I recommend this is reconciled and brought up to date before 31-03-24.**	