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Our Ref: MARK/POU001

Mrs J Young
Poulshot Parish Council
Poulshot Road
Devizes
Wiltshire
SN10 1RJ

5 April 2023

Dear Jeannette

Re: Poulshot Parish Council
Internal Audit Year Ended 31 March 2023 – Year-End Audit report

Executive summary

Following completion of our year-end internal audit on 5 April 2023 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. Where appropriate **recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

From a review of historic information available on the council website prior to my visit, the council appear to have encountered a difficult period over the last few years, and my discussions during the visit discovered there have been personnel changes and some challenges from individuals to the councils accounts during this time.

My visit took place with the new Clerk, who is experienced in the role from a previous council, and Cllr Scott who acts as the RFO. They described 'a journey' the council has been on, and it became evident during my visit that considerable effort has gone into raising the standards of the council, and I am pleased to say that my 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 work the council has put in over recent times shows that it 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 Poulshot Parish 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 Andy Beams of Mulberry & Co, who has over 30 years’ experience in the financial sector with the last 13 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

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
- There has been no instance of 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

		TEST AT FINAL	PAGE
A	BOOKS OF ACCOUNT	√	4
B	FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	√	4
C	RISK MANAGEMENT AND INSURANCE	√	6
D	BUDGET, PRECEPT AND RESERVES	√	7
E	INCOME	√	7
F	PETTY CASH	√	7
G	PAYROLL	√	8
H	ASSETS AND INVESTMENTS	√	8
I	BANK AND CASH	√	8
J	YEAR END ACCOUNTS	√	9
K	LIMITED ASSURANCE REVIEW	√	11
L	PUBLICATION OF INFORMATION	√	11
M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS	√	12
N	PUBLICATION REQUIREMENTS	√	12
O	TRUSTEESHIP	√	12
	ACHIEVEMENT OF CONTROL ASSERTIONS AT INTERIM AUDIT DATE		13
	INTERIM AUDIT POINTS CARRIED FORWARD		14

A. BOOKS OF ACCOUNT

Internal audit requirement

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

Audit findings

The council uses Excel spreadsheets for recording the day-to-day financial transactions of the council. Due to the size of the council, this is a suitable method for keeping the accounting records and from a review of the spreadsheets, these seem effective and appropriate for the council.

During my testing, the RFO was able to quickly and accurately compare electronic accounting records to his paper filing system, which indicates the system is appropriate. There was evidence of each payment being reviewed for accuracy, having a lead sheet attached to it recording authorisation and the records are neatly filed. I make no recommendations to change this system.

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

The External Auditor's Report for 2021/22 was not completed by the end of September and was subsequently completed and qualified. This has been published on the council website.

The External Auditor qualified the council for the following reasons.

'The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- *Section 2, Box 4 incorrectly includes items which are not staff costs as defined in the Joint Panel on Accountability and Governance Practitioner's Guide. Please note that Box 4 should comprise payments made in relation to the employment of staff including only gross salary, employers' national insurance contributions, employers' pension contributions, gratuities for employees or former employees and severance or termination payments to employees. Employment expenses which are benefits (mileage, travel, etc.) and items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority are not staff costs for the purpose of completion of the AGAR in accordance with proper practice., The figures in Section 2, Boxes 4 and 6 should read £2,049 and £6,687 respectively.*

Section 1, Assertions 2 and 5 have been incorrectly completed, as a fixed asset register is not kept up to date and maintained, and an annual risk review did not occur. This is consistent with the Internal Auditor's response to Internal Control Objectives C and H.

The smaller authority has included electronic signatures in Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR) submitted for review, and as a result, it has not been possible for us to conclude that the AGAR has been properly approved. Please ensure that 'wet' signatures are included on all AGARs submitted for review and published in future, in line with the Accounts and Audit Regulations 2015.

Under 'other matters' the External Auditor commented:

'In the prior year, the smaller authority was exempt from our review, thus we have not reviewed any evidence to support the prior year comparatives on the AGAR.

The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 3 and 4, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

In the completion of the Annual Internal Audit Report the internal auditor has drawn attention to weaknesses in relation to Risk Assessment, Budgetary Process and Fixed Asset register maintenance. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

The Annual Internal Audit Report focuses on a series of internal control objectives covering and authority's key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority. We note that the internal auditor has not provide an adequate explanation where the responses for internal control objectives M and N have been given as 'Not covered'. The Annual Internal Audit Report will inform the authority's response to assertions 2 and 6 in the annual governance statement. As a result, the authority must ensure that assurance that has been provided via these control objectives has been sought elsewhere.

Confirm by sample testing that councillors sign statutory office forms.

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. The council website provides a link to the District Council website where the Register of Members' Interests Forms are published.

Confirm that the council is compliant with the relevant transparency code.

As the council's income and expenditure is below £25,000, it is a statutory requirement to follow the requirements of the Transparency Code for Smaller Authorities. This is commented upon in section L of this report.

Confirm that the council is compliant with GDPR.

The council is fully aware of GDPR and has undergone training. It was noted the council has established common email addresses for all councillors. While these are in place, they currently divert to a specified Gmail account which is not as recommended in the updated JPAG guidance. 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 council has a Privacy Notice on the home page of its website, although there does not appear to be an Accessibility Statement. I understand the council is in the process of changing website provider and this issue should be resolved as part of that switch over.

Confirm that the council meets regularly throughout the year.

In addition to full council, the council has a number of working groups in place. These are advisory only and make recommendations to council meetings and each has terms of reference published.

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

I was able to confirm 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 in giving three clear days' notice of the meeting. The Clerk is aware of the requirement to post any supporting documentation with the agendas as outlined by the Information Commissioner's Office (page 3 of this link) ico.org.uk/minutesandagendas.pdf and these are currently uploaded as individual documents. This should be easier to achieve after the website change.

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

Draft minutes are uploaded to the council website.

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

The Standing Orders are based on the current NALC model and were most recently reviewed and adopted by council at the meeting held in May 2022. They are scheduled to be reviewed again at the May 2023 meeting.

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

Financial Regulations are based on the current NALC model and were last reviewed and adopted by council at the meeting held in May 2022. They are scheduled to be reviewed again at the May 2023 meeting. The regulations 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.

The council has thresholds in place at which authorisations to spend must be obtained as below:

FR 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. Such authority is to be evidenced by a Minute.

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

FR 4.5. In cases of extreme risk to the delivery of council services, or public safety, 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 £500. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

Standing Orders and Direct Debits are approved annually, and this can be evidenced in the council minutes.

I tested a sample of invoices and found these had been approved in accordance with the thresholds contained within the Financial Regulations, and approval, where needed, recorded in the minutes of meetings.

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £8.82 per elector.

The council has adopted the General Power of Competence (GPC) in November 2022 and the section 137 thresholds do not apply.

Check receipt of VAT refund matches last submitted VAT return.

The council submits its VAT return on an annual basis. I reviewed the submission for the period ending 31 March 2022 which showed a refund amount due of £328.26. I was able to confirm receipt of this amount to the council's bank account on 10 January 2023. The council is up to date with its VAT submissions.

Confirm that checks of the accounts are made by a councillor.

The system noted above details internal review takes place and I am under no doubt that council properly approves 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 risk management policy which was most recently reviewed by the RFO and is due to be adopted by council at the May 2023 meeting. I reviewed the policy and the risk assessment record, which details the types of risk identified, assigns a perceived risk level, records action taken and how the risk is managed. This type of approach is suitable for a council of this size and demonstrates that the council takes its risk management responsibilities seriously. **I recommend the inclusion of a risk matrix to support the perceived risk levels recorded on the document.**

I confirmed that the council has a valid insurance policy in place with Zurich in a long-term agreement expiring in May 2023. The policy includes Public Liability and Employers Liability cover of £10 million each and a Fidelity Guarantee of £150,000. **This level is currently sufficient for the council based on current balances but should be kept under review to ensure it remains higher than the maximum balances held.**

We discussed assertion 8 on the Annual Governance Statement and whether this had any impact on the council.

"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."

The Clerk confirmed that they were not aware of any event having a financial impact that was not included in the accounting statements.

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

The council set a precept of £13,450 for 2022/23. With a tax base of 159.2, this equates to a band D equivalent of £84.51 (compared to the average in England of £74.81).

The Clerk confirmed that the 2023/24 budget setting process and precept setting was completed at the meeting held on 10 January 2023 (minute ref 18).

The RFO presents budget performance information at every council meeting for review which includes details of bank balances, known spending and anticipated amounts due before the next meeting. A budget tracker is also retained and shared. I am confident from the examples shown and through discussion with the Clerk and RFO that councillors are provided with sufficient information to make informed financial decisions.

The council holds circa £124,500 in earmarked reserves (EMR), spread across The Village Community Fund (£122,700) and Community Infrastructure Levy (CIL) (£2,000). I checked the purpose of these EMRs with the Clerk and am satisfied they are all for legitimate future planned projects of the council.

Remaining funds are held in the general reserve and amount to £9,450 at the year-end.

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).

The general reserve balance is within the recommended range.

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

Other than the precept, the council's only other regular sources of income are from allotment rental, VAT refunds, bank interest and donations.

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 no petty cash.

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 Clerk is the only employee and has a signed contract of employment, based on the NALC template. I was able to verify that the salary is aligned to the NJC scale point range.

The council uses a third party for processing payroll, who calculates the PAYE and pension deductions. I reviewed the payslip for January 2023 and the payroll deductions appear correct. The salary payments are authorised and paid by the council in the same way as other payments.

I reviewed the total figure being included within box 4 (staff costs) on the Annual Governance and Accountability Return (AGAR) and confirmed that this includes only salary payments and HMRC payments. Errors in relation to this matter were highlighted by the External Auditor for the 2021/22 AGAR submission, and appropriate restatement of the figures has been included for this year's submission.

There are no councillor allowances.

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 which includes details of asset location, date of acquisition, cost or proxy cost, and estimated useful life. This tracks changes each year, and I confirmed that amounts are correctly recorded. Assets are correctly listed at cost/proxy cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register.

The council has no borrowing nor long-term investments.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation 2.2 states 'On a regular basis, at least once in each quarter, and at each financial year end, the Council shall verify bank reconciliations (for all accounts) produced by the RFO. The Chairman shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification.'

Bank reconciliations are completed and presented to council at every meeting for review and I have no doubt that the council is reviewing these properly although I recommend the Chairman signs the document and the original bank statement in accordance with Financial Regulation 2.2.

The council has four bank accounts and is aware of the £85,000 protection limit offered by the Financial Services Compensation Scheme (FSCS).

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

The council, at its meeting to sign off the year-end accounts, must discuss Section 1 of the AGAR (Annual Governance Statement) and record this activity in the minutes of the meeting. **COUNCIL IS REMINDED THAT THIS MUST BE A SEPARATE AGENDA ITEM PRIOR TO THE SIGNING OF SECTION 2 OF THE AGAR (ANNUAL ACCOUNTS).**

Section 1 – Annual Governance Statement

Based on the internal audit finding I recommend using the table below as the basis for that discussion.

	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.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	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.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	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.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	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.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	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.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	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.	<i>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.</i>	YES – the council has appointed an independent and competent internal auditor.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	YES – matters raised in internal and external audit reports have been addressed.
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	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	YES – no matters were raised during the internal audit visits.

	authority and. Where appropriate, have included them in the accounting statements.		
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.	<i>has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	N/A – the council has no trusts

Section 2 – Accounting Statements

AGAR box number		2021/22	2022/23	Internal Auditor notes
1	Balances brought forward	128,537	134,775	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	12,475	13,450	Figure confirmed to central records
3	Total other receipts	2,498	1,959	Agrees to underlying records
4	Staff costs	2,049	2,722	Agrees to underlying records
5	Loan interest/capital repayments	0	0	Verified against PWLB records
6	All other payments	6,686	13,281	Agrees to underlying records
7	Balances carried forward	134,775	134,181	Casts correctly and agrees to balance sheet
8	Total value of cash and short-term investments	134,775	134,181	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	11,532	10,683	Matches asset register
10	Total borrowings	0	0	Verified against PWLB records
11a	Disclosure note re Trust Funds (including charitable)	N/A	NO	No – the council is not a sole trustee
11b	Disclosure note re Trust Funds (including charitable)		N/A	N/A – the council is not a sole trustee

Audit findings

The year-end accounts have been correctly prepared on a receipts and payments basis with no requirement for the box 7 and 8 reconciliation.

The AGAR correctly casts and cross casts. Last year's figures have been restated on the advice of the external auditor due to a £54 movement between boxes 4 and 6.

The variance analysis has been completed to explain the variances exceeding 15% where required. This, in my opinion, needs a little further detail to explain the net differences.

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 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

This internal control objective has changed since last year. Where previously it related to the relevant Transparency Codes, a council with annual turnover exceeding £25,000 was recommended to follow the Local Government Transparency Code 2015, but it was not a statutory requirement.

As the council has an annual turnover not exceeding £25,000, it is still required to publish the required information in accordance with the Transparency Code for Smaller Authorities.

A review of the council website shows the following:

Expenditure over £100 – expenditure items are appended to the minutes of meetings, and these are also published as separate list annually.

End of year accounts – these are available on the council website.

Annual Governance Statement – this has also been published on the council website.

Internal Audit Report – the internal audit reports for previous years published with the accounts information.

Councillor responsibilities – details of councillors are published on the website.

Details of public land and buildings – the updated asset register is published within the financial information.

Minutes, agendas and meeting papers of formal meetings – these are published on the agenda and minutes tab.

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 has demonstrated that during summer 2022 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2021/22 Actual	2022/23 Proposed
Date AGAR signed by council	28 June 2022	9 May 2023
Date inspection notice issued	29 June 2022	2 June 2023
Inspection period begins	30 June 2022	5 June 2023
Inspection period ends	11 August 2022	14 July 2023
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

I am satisfied the requirements of this control objective were met for 2021/22, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

I was able to confirm that the proposed dates for 2022/23 meet the statutory requirements.

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 Notice of Public Rights is published on the council website along with the Notice of Conclusion of Audit and External Auditor Report and Certificate and the publication requirements for 2021/22 have been met.

O. TRUSTEESHIP**Internal audit requirement**

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

Audit findings

The council has no trusts.

Achievement of control assertions at year-end audit date

Based on the tests conducted during the year-end audit, our conclusions on the achievement of the internal control objectives are summarised in the table below and are reflected in the completion of the Annual Internal Audit Report within the AGAR.

	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. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			√
L	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	√		
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 <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	√		
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



Andy Beams
For Mulberry & Co

Year-End Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
RISK MANAGEMENT AND INSURANCE	I recommend the inclusion of a risk matrix to support the perceived risk levels recorded on the risk assessment document.	
RISK MANAGEMENT AND INSURANCE	The Fidelity Guarantee level is sufficient for the council based on current balances but should be kept under review to ensure it remains higher than the maximum balances held.	