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Our Ref: MARK/LEW001

Lewes Town Council
Town Hall
High Street
Lewes
East Sussex
BN7 2QS

5th June 2023

Dear Francesca

Re: Lewes Town Council
Internal Audit Year Ended 31 March 2023 – Year-End Audit report

Executive summary

Following completion of our year-end internal audit on 5th June 2023 we enclose our report for your kind attention and presentation to the council. This report should be considered alongside the interim audit report issued following our interim audit on 21st November 2022. The audits were 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.**

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 Lewes 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
- 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.

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Interim Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments on actions taken since interim visit
Books of account	<p>I would recommend that a file/on-line folder is set up to record and monitor all balance sheet accounts, such as but not limited to other debtors, accruals, prepayments, other creditors, loans etc.</p> <p>I would recommend though that the supplier invoice number rather than the batch number is used as the reference and that supplier invoices are filed alphabetically.</p>	<p>On-going</p> <p>On-going</p>
Payments and governance	<p>The council is performing regular bank reconciliation for all accounts in accordance with local regulations. However, I note that the FR has been tailored to remove the control requirement of signing off the bank reconciliation and minuting this activity. The model regulation is written such that it requires the councillors to take an active role to ensure relevant and important internal controls are in place and are seen to be monitoring these controls. In addition to this, the text of the regulation is not in my opinion clear as to what is being stipulated.</p> <p>I would recommend council consider amending the financial regulation to be more in line with the NALC model and add back the internal controls.</p> <p>I remind council that there must be documentary and minute evidence of grants and subsidies.</p> <p>Reporting against budget is a key control item for the council, and I applaud the new approach being taken by the clerk in this respect. However, I would like to see in the minutes councillor approval of the clerks recommended actions, not just noting receipt of the report.</p> <p>Finally, the text of the regulation is written in overly complicated language and I believe council may benefit from reviewing the model regulations text and adopting a similar style.</p>	<p>The financial regulations have been updated to reflect the latest NALC model And procedures at the council are being updated.</p> <p>On-going</p> <p>On-going</p> <p>Completed</p>
Payroll	<p>I would recommend t payslips are filed in a separate payroll folder under lock and key. Personal data such as this would also be covered by GDPR regulations and should be subject to stricter controls.</p> <p>I was unable to verify the HMRC record because the council does not have a business tax account yet. I recommend the process is followed to create an HMRC business tax account so that the councils tax records (PAYE and VAT) can be monitored.</p>	<p>Completed</p> <p>On-going</p>
Fixed assets	<p>The financial regulations state <i>“FR: 14.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually”</i>. I would recommend that the register is updated to show when item was last physically vouched.</p>	<p>On-going</p>
Transparency	<p>In the spirit of transparency council may want to consider following this best practice regulation. I have sign pointed the clerk to a website that shows transparency as best practice.</p>	<p>On-going</p>

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

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

Audit findings

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, although these are not used by 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.*

Check that the council's Finance Regulations are being routinely followed.

The council has thresholds in place at which authorisations to spend must be obtained (as below), these were updated and approved by Council on the 18th April 2023:

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 for all items over £30,000; the Town Clerk, in conjunction with the Chair of the appropriate committee for items £15,000 - £30,000 the Town Clerk for items up to £15,000

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

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

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 £10000. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter.

Further to the testing conducted at the interim visit, I tested an additional sample of invoices and found these had been approved in accordance with the thresholds contained within the Finance Regulations, and approval, where needed, recorded in the minutes of meetings.

The council has Finance Regulations in place regarding the award of contracts, and this includes:

FR 11.1 (h) *When it is to enter into a contract of less than £25,000 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 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.*

I tested a sample of contracts and or tenders awarded during the year and was able to confirm the thresholds contained within the Finance Regulations were applied.

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) and the section 137 thresholds do not apply. **The council is reminded that after each scheduled election, the council must declare its eligibility and re-adopt the GPC, recording this within the minutes of the meeting. I could find no evidence of this in the minutes of full council. As the council has not re-adopted the GPC, it is NOT allowed to start any new services that would require this power.**

Check receipt of VAT refund matches last submitted VAT return.

The council submits its VAT return on a quarterly basis. I reviewed the submission for the period ending 31 March 2023 which showed a refund amount due of £86,069.77. 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

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 accounting records show that the council ended the year with income reported as 102.30 % of budget and expenditure reported as 102.4 % of budget. The additional income being due in the main to CIL receipts and an insurance refund. The additional overspend of £34,500 was due in the main to the additional asbestos costs.

The council holds £844,470 in earmarked reserves (EMR), spread across a range of clearly identifiable projects. I checked the purpose of these EMRs and whilst I can see they are allocated to named projects, I remind council it does not have the power to hold reserves for longer than necessary. **I recommend the council review this list of future projects with a view to bring them to some sort of conclusion.**

The council also holds £453,006 in the general reserve. I estimate the net revenue expenditure to be in the region of £1m per annum.

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

The council has multiple income sources to support the precept, grants, 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. Credit entries on the whole were due to credit notes and genuine refunds.

There is no evidence that the council should be VAT registered, although there maybe some benefit in gaining a registration and an option to tax in future.

I can confirm income is correctly posted on the AGAR.

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

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, HMRC payments and pension contributions.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

I confirmed the asset register total matches that included in box 9 (total fixed assets plus long term investments and assets) on the AGAR and was able to trace the changes to the previous year's total against the asset register.

The council has a Public Works Loan Board (PWLB) loan. I was able to confirm the year-end loan balance and in year capital and interest repayments against the PWLB year-end statement.

PW482012	FIXED	ANNUITY	SEMI ANNUAL	18-Jan-1999	18-Jan-2024	18-Jan-2023	18-Jul-2023	9,725.91
162667	FIXED	ANNUITY	SEMI ANNUAL	20-Feb-2020	20-Feb-2035	20-Feb-2023	20-Aug-2023	497,387.27

The council has no long-term investments.

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 [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 [Finance Committee].

I reviewed the March 2023 bank reconciliation and was able to confirm the balances to the bank statements and found no errors.

Not all balances held are within the £85,000 protection limit offered by the Financial Services Compensation Scheme (FSCS). The council aware of this and have a published investment strategy in place.

Whilst testing at the interim audit showed the bank reconciliations had been minuted in accordance with regulations, we could find no evidence in the subsequent minutes that any reconciliations had been minuted as complete, although hard copy evidence showed they had been signed off. **I recommend council review Financial Regulation 2.2 with a view to updating current practices.**

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>	YES – the council has met its responsibilities as a trustee.

Section 2 – Accounting Statements

AGAR box number		2021/22	2022/23	Internal Auditor notes
1	Balances brought forward	1,103,789	1,298,232	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	1,213,829	1,259,778	Figure confirmed to central records
3	Total other receipts	152,193	238,599	Agrees to underlying records
4	Staff costs	577,328	613,385	Agrees to underlying records
5	Loan interest/capital repayments	58,374	58,374	Verified against PWLB records
6	All other payments	535,877	827,374	Agrees to underlying records
7	Balances carried forward	1,298,232	1,297,476	Casts correctly and agrees to balance sheet

8	Total value of cash and short-term investments	1,271,032	1,161,843	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	4,222,532	4,222,532	Matches asset register
10	Total borrowings	551,484	507,113	Verified against PWLB records

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

Audit findings

The year-end accounts have been correctly prepared on an income and expenditure basis with the box 7 and 8 reconciliation explained using the accounting records.

I tested the debtors, creditors, accruals and prepayments and noted that in some instances income in advance and credits on the purchase ledger had not been correctly posted to the relevant balance sheet account; however this does not affect the AGAR, nor the balance sheet as a whole, only the presentation of the box 7 & 8 reconciliation. I discussed these postings with the finance administrator and noted they were in the main posted as reversing journals which have already been reversed out in the current year correcting the balance sheet position automatically. I stress there are no errors with the financial elements only the presentation.

I would recommend instead of using the RBS print out of the box 7 & 8 reconciliation, that the template provided by the external auditor is used instead and the mis presented items are reallocated as appropriate.

- Debit balances on the purchase ledger – show under current assets/debtors as overpayments
- Income in advance – should be shown in the current liabilities/creditors as income in advance

I discussed the aged debtors with the finance administrator and there is an exercise currently being undertaken to tidy the older balances off the ledger. **I remind council any write offs must be approved by council in advance.**

I noted there were two small immaterial aged amounts on the balance sheet – the finance administrator is going to write these back.

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

The variance analysis has been completed to explain the variances exceeding 15% where required, and in my opinion, contains sufficient narrative and quantitative information for the External Auditor.

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: 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.

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	

In the spirit of transparency council may want to consider following this best practice regulation. **I have sign pointed the clerk to a website that shows transparency as best practice.**

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

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		15 th June
Date inspection notice issued	24 th June	16 th June
Inspection period begins	27 June 2022	19 th June
Inspection period ends	5 August 2022	28 th July
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.

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 Finance 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

Mark Mulberry
For Mulberry & Co

Year-End Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
Bank & Cash	I recommend council review Financial Regulation 2.2 with a view to updating current practices, to ensure presentation of the reconciliations to finance council.	
Reserves	I remind council it does not have the power to hold reserves for longer than necessary. I recommend the council review this list of future projects with a view to bring them to some sort of conclusion.	
General Power of Competence	<p>The council is reminded that after each scheduled election, the council must declare its eligibility and re-adopt the GPC, recording this within the minutes of the meeting. I could find no evidence of this in the minutes of full council.</p> <p>As the council has not re-adopted the GPC, it is NOT allowed to start any new services that would require this power.</p>	
Interim audit points	Please also consider the on-going interim points brought forward.	
Year end accounts	<p>I would recommend instead of using the RBS print out of the box 7 & 8 reconciliation, that the template provided by the external auditor is used instead and the mis presented items are reallocated as appropriate.</p> <ul style="list-style-type: none"> • Debit balances on the purchase ledger – show under current assets/debtors as overpayments • Income in advance – should be shown in the current liabilities/creditors as income in advance <p>I discussed the aged debtors with the finance administrator and recommend a tidy up of the sales ledger. I remind council any write offs must be approved by council in advance.</p>	