



Mrs B Weddell
Puttenham Parish Council
2 Pond Cottages
Plaistow
West Sussex
RH14 0PX

26 April 2024

Dear Beverley

Re: Puttenham Parish Council
Internal Audit Year Ended 31 March 2024 – Year-End Audit report

Executive summary

Following completion of our year-end internal audit on 26 April 2024 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.**

Our sample testing, which is likely to be more detailed and thorough than previous internal audit testing, did not uncover any errors or misstatements that require reporting to the external auditor at this time. We did identify some significant weaknesses in the internal controls although these would not specifically place public money at risk.

There is a lack of evidence of the council adhering to proper practices and overall, the systems and procedures you currently have in place are not fit for purpose and my report contains a range of recommendations to make improvements and to ensure the council meets its statutory and regulatory responsibilities.

Having discussed these issues with the Clerk, who has been newly appointed during the year, I am confident that she will use her knowledge and experience from her other council to make improvements and I look forward to seeing the enhancements at the next internal audit visit.

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 2023/24 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.

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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A. BOOKS OF ACCOUNT

Internal audit requirement

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

Audit findings

This is the first internal audit conducted by Mulberry LAS Ltd, having been appointed by the council at the meeting held in March 2024 (minute ref 24/030b). The Clerk took over the role in November 2023, but is an already experienced Clerk. The audit was conducted on site with the Clerk, who also acts as the council's Responsible Financial Officer (RFO). The Clerk had prepared the information advised in advance of the visit, and other information was reviewed through discussion with the Clerk and a review of the council website www.puttenham-pc.gov.uk

The council uses EasyPC Accounts for recording the council's finances. The accounting package is updated regularly and used to produce management information reports for review at council meetings. The Clerk has re-entered the accounts for the year from the previous Clerk's spreadsheet. The council website is not controlled by the Clerk, and the council may wish to consider the process for ensuring the statutory and regulatory information is uploaded in a timely manner to the website.

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

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

The External Auditor's Report was qualified. The External Auditor stated *'The smaller authority has not addressed the 'except for' matters raised by the external auditor when qualifying the prior year annual return. Prior year Section 2, Box 2 should read £13,755, and Box 3 should be adjusted accordingly (the smaller authority indicated in the prior year that the amount reported in Box 3, £18,535 is incorrect).*

The smaller authority has disclosed that it made proper provision during the year 2022/23 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct.

The smaller authority failed to approve the AGAR in time to publish it before 1 July 2023, the date required by the Accounts and Audit Regulations 2015 and did not disclose this by answering 'No' to Section 1, Box 1.

The AGAR has not been signed and approved in accordance with the Accounts and Audit Regulations 2015:

- *Section 2 was not signed by the Responsible Finance Officer before approval.*

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 7 for the current year and prior year does not agree to Boxes 1+2+3-(4+5+6) and an adequate explanation has not been provided by the smaller authority. The sum of the figures in Section 2 for the current and prior year is £18,704 and £20,674 (respectively).*
- *The figures in Section 2, Boxes 2 and 4 of the prior year comparative column do not agree to the prior year final signed AGAR and no evidence was provided in explanation when requested.*
- *Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £13,250 and £20,436 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.'*

Under other matters, the External Auditor commented 'We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2023/24 for the exercise of public rights, since the approval date was at the same as the start of the period for the exercise of public rights and did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2023/24 and ensure that it makes proper provision for the exercise of public rights during 2024/25.'

There is no evidence of the External Auditor's Report and Certificate nor Notice of Conclusion being published on the council website, which is a statutory requirement, This affects Internal Control Objective N.

There is no evidence of the External Auditor's Report having been reported to the council, and the Clerk will ensure this is added to the agenda for a forthcoming meeting.

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 details of each individual councillor's Register of Members' Interests forms.

Confirm that the council is compliant with the relevant transparency code

As the council's income and expenditure exceeds £25,000, it is not a statutory requirement to follow the requirements of the Local Government Transparency Code, although it is recommended best practice to do so. A review of the council website shows that some of the information is published, but if the council wishes to comply fully with the code, I recommend viewing the way West Chiltington Parish Council publishes the information, which can be viewed via this link www.wcpc.org.uk/transparency

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. 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.*

The council has a Privacy Notice on the council website, but **I was unable to locate a Website Accessibility Statement.**

The full name of the accessibility regulations is the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

The accessibility regulations came into force for public sector bodies on 23 September 2018. They say you must make your website or mobile app more accessible by making it 'perceivable, operable, understandable and robust'. You need to include and update an accessibility statement on your website.

The accessibility regulations build on your existing obligations to people who have a disability under the Equality Act 2010 (or the Disability Discrimination Act 1995 in Northern Ireland).

Confirm that the council meets regularly throughout the year

Council meets on alternate month six times during the year. A diary of future meeting dates is also published on the council website, along with historic minutes for council meetings.

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.

I remind council it is required to also 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

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

Draft minutes are uploaded to the council website and clearly annotated as draft.

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 in March 2024 (minute ref 24/029).

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

There is no evidence of any adopted Financial Regulations being in place, and there is no copy on the council website. Consequently, I am unable to make any checks of compliance with the regulations and have no option but to answer 'No' to this internal control objective.

The Clerk confirmed that the current NALC model version has been circulated to councillors, with a plan to adopt these at the May 2024 council meeting.

Check that the council's Financial Regulations are being routinely followed

Unable to conduct any testing due to lack of existing Financial Regulations.

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £9.93 per elector

The council has section expenditure 137 allowable threshold.

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 December 2023 which showed a refund amount due of £1,753.68 and was fully supported by the required details. I was able to confirm receipt of this amount to the council's bank account on 15 February 2024. The council is up to date with its VAT submissions.

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

There is no evidence of the council previously having a robust risk management or risk assessment policy in place. I therefore have no option but to answer 'No' to this internal control objective.

The Clerk has prepared a risk assessment, based on a model used at her other council, which the council are currently reviewing and will be adopting at a forthcoming meeting. This approach would be suitable for a council of this size.

I confirmed that the council has a valid insurance policy in place with Aviva arranged through BHIB Insurance Brokers which covers the year under review. The policy includes Public Liability and Employers Liability cover of £10 million each and a Fidelity Guarantee level of £50,000. Ordinarily, this level of Fidelity Guarantee would appear sufficient, although the council is holding significantly higher balances at present and should keep this risk under review if the funds are retained for longer than expected.

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 £14,600 2023/24. With a tax base of 312.0, this equates to a band D equivalent of £46.79 (compared to the average in England of £79.35).

The Clerk confirmed that the 2024/25 budget and precept were approved at the council meeting in January 2024.

The Clerk has developed a management report showing receipts and payments against budget and this is shared with councillors periodically during the year.

The council holds circa £84,800 in earmarked reserve at the date of the interim audit, spread across a range of clearly identifiable projects. I checked the purpose of these projects with the Clerk and am satisfied that they are all legitimate future planned projects for the council. The council also holds circa £9,097 in the general reserve at the end of the financial year.

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

Apart from the precept, the council receives income from grants, cemetery fees, tennis court rental, football club fees for use of the pavilion, interest, and VAT refunds.

The cemetery fees were last received by the council in November 2023.

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.

Payroll is outsourced at present, although the council is moving to the HMRC PAYE Online tools from April 2024 onwards. I reviewed the payslips for February and March 2024 and payroll deductions appear correct.

There are no councillor allowances.

I reviewed the total figure being included within box 4 (staff costs) on the Annual Governance and Accountability Return (AGAR) and was able to confirm from the accounting software 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

There is no evidence of the council maintaining an accurate fixed asset register and therefore I am unable to positively answer this internal control objective. The Clerk has an accurate record of assets acquired during the year and has added this total to that included within box 9 on last year's AGAR.

She is aware of the correct process for valuing assets and plans to review the council's assets next year and ensure that an accurate list is constructed and maintained and restate the previously submitted total if necessary.

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

I was able to confirm the March 2024 bank reconciliation and bank statements are correct. As mentioned in Section B of this report, there are no current Financial Regulations determining a process for independently reviewing the bank reconciliation, although the NALC model currently under review does include this requirement, and if adopted future testing will be conducted against this.

The council holds two accounts with Lloyds Bank. At the end of the financial year, the balances held exceed the £85,000 protection limit offered by the Financial Services Compensation Scheme (FSCS) and the council should consider whether opening an account with an alternate provider would be beneficial.

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	<i>'Yes', means that this authority</i>	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>	NO – there is an absence of proper risk management and risk assessment in place.
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>	NO – the requirements and timescales for 2022/23 year-end were NOT followed.
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	NO – the council has no risk management scheme in place

	introduction of internal controls and/or external insurance cover where required.		
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>	NO – matters raised in internal and external audit reports have not been addressed as highlighted in the External Auditor's Report.
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.	<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.
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		2022/23	2023/24	Internal Auditor notes
1	Balances brought forward	15,977	18,339	Agrees to 2022/23 carry forward (box 7)
2	Precept or rates and levies	14,000	14,600	Figure confirmed to central precept record
3	Total other receipts	19,686	96,227	Agrees to underlying accounting records
4	Staff costs	4,145	4,720	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	0	0	Confirmed to PWLB documents
6	All other payments	26,814	30,540	Agrees to underlying accounting records
7	Balances carried forward	18,339	93,906	Casts correctly and agrees to balance sheet
8	Total value of cash and short-term investments	18,339	93,906	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long-term investments and assets	191,489	198,388	Matches asset register total and changes from previous year have been traced
10	Total borrowings	0	0	Confirmed to PWLB documents
11a	Disclosure note re Trust Funds (including charitable)	NO	NO	No – the council is not a sole trustee
11b	Disclosure note re Trust Funds (including charitable)	N/A	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 to complete the box 7 and 8 reconciliation.

The AGAR correctly casts. Last year's submitted AGAR figures do not add up, and even based on the External Auditor's Report and Certificate, it is unclear which numbers need to be changed. The Clerk has attempted to trace the changes through email correspondence between the former Clerk and the External Auditor but has been unable to determine accurate figures for the previous year.

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 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

For councils with a turnover over £25,000, it is recommended best practice to follow the Local Government Transparency Code 2015, but not a statutory requirement and therefore not subject to verification during the internal audit.

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) and 5 (Accounting Statements) of the AGAR are available for review on the council website for financial years 2018/19 to 2022/23 inclusive, but page 6 (External Auditor's Report and Certificate) of the AGAR have not been published. Based on the 2022/23 External Auditor's Report, more than one of these has been a qualified audit and the council is reminded that it is a statutory requirement to publish this information on the council's website.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS**Internal audit requirement**

The authority has demonstrated that during summer 2023 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2022/23 Actual	2023/24 Proposed
Date AGAR signed by council	4 July 2023	20 May 2024
Date inspection notice issued	4 July 2023	21 May 2024
Inspection period begins	5 July 2023	3 June 2024
Inspection period ends	5 August 2023	12 July 2024
Correct length (30 working days)	No	Yes
Common period included (first 10 working days of July)	No	Yes

As stated in the External Auditor's Report and Certificate, the requirements of this control objective were not met for 2022/23, and assertion 4 on the Annual Governance Statement must therefore be signed by the council as 'No'.

I was able to confirm that the proposed dates for 2023/24 meet the statutory requirements.

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

The Notice of Public Rights, Notice of Conclusion of Audit and External Auditor Report and Certificate are all missing from the council website and therefore the publication requirements for 2022/23 have not 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 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 2022/23, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2022/23 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 (2022/23) 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 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



Andy Beams

Mulberry Local Authority Services Ltd

Year-End Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	<p>I was unable to locate a Website Accessibility Statement.</p> <p>The full name of the accessibility regulations is the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</p> <p>The accessibility regulations came into force for public sector bodies on 23 September 2018. They say you must make your website or mobile app more accessible by making it ‘perceivable, operable, understandable and robust’. You need to include and update an accessibility statement on your website.</p> <p>The accessibility regulations build on your existing obligations to people who have a disability under the Equality Act 2010 (or the Disability Discrimination Act 1995 in Northern Ireland).</p>	
B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	<p>I remind council it is required to also 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</p>	
B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	<p>There is no evidence of any adopted Financial Regulations being in place, and there is no copy on the council website. Consequently, I am unable to make any checks of compliance with the regulations and have no option but to answer ‘No’ to this internal control objective.</p>	
C. RISK MANAGEMENT AND INSURANCE	<p>There is no evidence of the council previously having a robust risk management or risk assessment policy in place. I therefore have no option but to answer ‘No’ to this internal control objective.</p>	
H. ASSETS AND INVESTMENTS	<p>There is no evidence of the council maintaining an accurate fixed asset register and therefore I am unable to positively answer this internal control objective.</p>	
I. BANK AND CASH	<p>The council holds two accounts with Lloyds Bank. At the end of the financial year, the balances held exceed the £85,000 protection limit offered by the Financial Services Compensation Scheme (FSCS) and the council should consider whether opening an account with an alternate provider would be beneficial.</p>	

L. PUBLICATION OF INFORMATION	I was able to confirm that pages 4 (Annual Governance Statement) and 5 (Accounting Statements) of the AGAR are available for review on the council website for financial years 2018/19 to 2022/23 inclusive, but page 6 (External Auditor's Report and Certificate) of the AGAR have not been published. Based on the 2022/23 External Auditor's Report, more than one of these has been a qualified audit and the council is reminded that it is a statutory requirement to publish this information on the council's website.	
M. EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS	As stated in the External Auditor's Report and Certificate, the requirements of this control objective were not met for 2022/23, and assertion 4 on the Annual Governance Statement must therefore be signed by the council as 'No'.	
N. PUBLICATION OF INFORMATION	The Notice of Public Rights, Notice of Conclusion of Audit and External Auditor Report and Certificate are all missing from the council website and therefore the publication requirements for 2022/23 have not been met.	