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Our Ref: MARK/WOT001

Mrs L Bignell

Wotton Parish Council

63 Rickwood Park

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Surrey

RH5 4PR

19th April 2023

Dear Lesley

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

## Executive summary

Following completion of our year-end internal audit on 19th 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.**

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.

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

## Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the

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

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

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

Proprietor: Mark L Mulberry BA (Hons) FCCA CTA

## Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry & Co. Your auditor has over 30 years’ experience in the financial sector with the last 20 years specialising in local government finance and internal audit.

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 o The client uses an industry approved financial reporting package o The client regularly carries out reconciliations and documents these o There is regular reporting to council
* The management team are experienced and informed o Records are neatly maintained and referenced o The client is aware of current regulations and practices o 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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**A. BOOKS OF ACCOUNT**

***Internal audit requirement***

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

## Audit findings

The year-end 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 I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the Clerk and a review of the council website https://e-voice.org.uk/wottonpc/

The council continues to use Excel for recording the day-to-day financial transactions of the council. The system is used regularly to record transactions and produce management information reports for review at council meetings.

The council has circa 30 -40 transactions per annum of which the vast majority relate to salaries, pensions, and PAYE. The councils only income is precept, interest and a VAT refund. During the year under review the NatWest bank was closed due to significant issues with obtaining bank statements and identification of cheque signatories. The council now banks with Unity Trust bank. As a consequence of this, some interest balances have been estimated.

In order to verify the accounts and underlying transactions, I cross ticked the entire list of expenditure items to the physical invoices and for a sample to the bank statements that were in existence and found no errors. There was one cheque brought forwards from the prior year, that may not have cleared, but in the absence of bank statements I was unable to verify this. The total value of possible errors due to missing bank statements was £20. This is neither significant nor material and does not require further investigation.

**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 qualified on the basis of non submission of the AGAR this has been published on the council website along with the Notice of Conclusion of Audit.

*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 councillors and where to locate their individual Register of Members’ Interests Forms on the district website.

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

## As the council’s income and expenditure does not exceed £25,000, it is a statutory requirement to follow the requirements of the Local Government Transparency Code. I recommend reviewing the way the information is published on the website of West Chiltington Parish Council as a best practice example via this link [www.wcpc.org.uk/transparency](https://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. 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 and Accessibility Statement on the home page of its website, and it is clear the council has made every effort to comply with the website requirements.

*Confirm that the council meets regularly throughout the year.* The council meets at least four times a year.

*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**](https://ico.org.uk/media/for-organisations/documents/1156/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, ordinarily within 10 days of the meeting taking place. **It is recommended to state on the website page that all minutes are draft until adopted at the subsequent meeting.**

*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 in April 2022.

*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 on 5th July 2022. 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 for all items over £500;*
* *the Clerk in conjunction with Chairman of Council for any items below £500.*

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

*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, 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*

Based on the level of financial activity of the council, these authorisation thresholds appear appropriate.

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.

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

*FR 11.1 (g) 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/RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.*

There were no items above the £3,000 or £25,000 threshold to test.

*Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £8.82 per elector.* There was no S137 expenditure in evidence

*Check receipt of VAT refund matches last submitted VAT return.*

The council submits its VAT return on an ad hoc basis. I reviewed the submission for the period ending 31st October 2022 which showed a refund amount due of £517.48. I was able to confirm receipt of this amount to the council’s bank account on 15th December 2022. The council is up to date with its VAT submissions, the next submission will be for the period to 31st March 2023.

**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 schedule dated June 2022 which was most recently reviewed and approved by council at the meeting held on 5th July 2022 (minute ref 2). I reviewed the policy and the risk assessment record, which details the types of risk identified, who might be harmed and how, 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 confirmed that the council has a valid insurance policy in place with Zurich which expires on 31st May 2023. The policy includes Public Liability and Employers Liability cover of £10,000,000 each which is sufficient for a council of this size.

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 £7,264 for 2022/23 on the 1st February 2022 minute ref 11. With a tax base of 334 this equates to a band D equivalent of £21.75 (compared to the average in England of £74.81).

The council has so few transactions, actual versus budget information would not be of benefit for the council.

The council holds no earmarked reserves (EMR).

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 OF £4,951 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 precept accounts for 91% of the council’s income

The council has no annual fees and charges.

Unbudgeted amounts received during the year came from grants, bank interest and VAT refunds. From a review of the accounting records, income appears to be recorded with sufficient narrative detail to identify the source and allocated to the most appropriate nominal code.

**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. – This test does not apply

**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 processes the payroll in house. I reviewed the payslips for August 2022 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, HMRC payments and pension contributions.

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 simple fixed asset register in place which includes details of asset location, date of acquisition, cost or proxy cost, condition. Assets are correctly listed at cost/proxy cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register.

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 no Public Works Loan Board (PWLB) loans.

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

Financial regulation 2.2 states *‘On a regular basis, at the meetings held in January, May, July and October, a member other than 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.’*

Bank reconciliations are completed for each meeting and presented to council. I reviewed the December 2022 & March 2023 bank reconciliation and was able to confirm the unity trust bank balances to the bank statements and found no errors. The NatWest bank balances have been estimated based on incomplete records, because the statements were not received from the bank.

I noted that the reconciliation has been signed but not the bank statement, this is only partly in accordance with Financial Regulation 2.2. **I recommend that council review this regulation and update procedures accordingly.**

Balances held are within 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. | *prepared its accounting statements in accordance with the Accounts and Audit Regulations.* | **YES** – accounts follow latest  Accounts and Audit  Regulations and practitioners guide recommendations. |
| 2 | We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | *made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.* | **YES** – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny. |
| 3 | We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the | *has only done what it has the legal power to do and has complied with Proper Practices in doing so.* | **YES** – the Clerk advises the council in respect of its legal powers. |
|  | ability of this authority to conduct its business or manage its finances. |  |  |
| 4 | We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations. | *during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.* | **YES** – the requirements and timescales for 2021/22 yearend were followed. |
| 5 | We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | *considered and documented the financial and other risks it faces and dealt with them properly.* | **YES** – the council has a risk management scheme and appropriate external insurance. |
| 6 | We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | *arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.* | **YES** – the council has appointed an independent and competent internal auditor. |
| 7 | We took appropriate action on all matters raised in reports from internal and external audit. | *responded to matters brought to its attention by internal and external audit.* | **YES** – 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 authority and. Where appropriate, have included them in the accounting statements. | *disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.* | **YES** – no matters were raised during the internal audit visits. |
| 9 | Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit. | *has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.* | **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 | 6,777 | 8,379 | Agrees to 2021/22 carry forward (box 7) |
| 2 | Precept or rates and levies | 5,534 | 7,264 | Figure confirmed to central records |
| 3 | Total other receipts | 289 | 825 | Agrees to underlying records |
| 4 | Staff costs | 2,216 | 5,173 | Agrees to underlying records |
| 5 | Loan interest/capital repayments | 0 | 0 | Verified against PWLB records |
| 6 | All other payments | 2,005 | 6,344 | Agrees to underlying records |
| 7 | Balances carried forward | 8,379 | 4,951 | Casts correctly and agrees to balance sheet |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 8 | Total value of cash and short- term investments | 8,379 | 4,951 | Agrees to bank reconciliation |
| 9 | Total fixed assets plus long- term investments and assets | 1,127 | 1,146 | Matches asset register |
| 10 | Total borrowings | 0 | 0 | Verified against PWLB records |

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

## 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 and last year’s comparatives match the figures submitted for 2021/22.

The variance analysis has not completed yet to explain the variances exceeding 15% where required.

**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.

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 included within the minutes of meetings. Publishing these as a separate list would make it easier to find the information, but the requirement has been met.

**End of year accounts** – there is an accounts tab on the website showing this information published for the previous years, with space to publish this year’s information once approved by council.

**Annual Governance Statement** – this has also been published for previous years on the accounts tab, with space to publish this year’s information once approved by council.

**Internal Audit Report** – the internal audit reports for previous years are on the accounts tab, along with the interim report for 2021/22, with space to publish this year’s information once approved by council.

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

**Details of public land and buildings** – the asset list has been published for the previous five years on the accounts tab, with space to publish this year’s information once approved by council.

**Minutes, agendas and meeting papers of formal meetings** – these are published on the meetings tab, with links to agendas, minutes and additional documents for each meeting.

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)

1. 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
2. the Annual Governance Statement approved in accordance with regulation 6(3)

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

1. keep copies of those documents for purchase by any person on payment of a reasonable sum; and
2. 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 two years, earlier years are retained in hard copy – **I recommend these are scanned and added to the website**.

**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 Actual** |
| **Date AGAR signed by council** | 21st June 2022 | 9th May 2023 |
| **Date inspection notice issued** | 22 June 2022 | 31st may 2023 |
| **Inspection period begins** | 27 June 2022 | 5th June |
| **Inspection period ends** | 5 August 2022 | 14th 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.

**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. *(If the authority had a limited assurance review of its 2020/21 AGAR tick “not covered”)* | ✓ |  |  |
| 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 *(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).* | ✓ |  |  |
| N | The authority has complied with the publication requirements for 2021/22 AGAR. | ✓ |  |  |
| O | Trust funds (including charitable) – The council met its responsibilities as a trustee. |  |  | ✓ |

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

Yours sincerely



# Mark Mulberry

## For Mulberry & Co

**Year-End Audit - Points Carried Forward**

|  |  |  |
| --- | --- | --- |
| **Audit Point** | **Audit Findings** | **Council comments** |
| Transparency | The council may want to consider how it presents the information on its website,    I recommend reviewing the way the information is published on the website of West Chiltington Parish Council as a best practice example via this link [www.wcpc.org.uk/transparency](https://www.wcpc.org.uk/transparency/) |  |
| Agendas | **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**](https://ico.org.uk/media/for-organisations/documents/1156/minutesandagendas.pdf) |  |
| Bank reconciliations | I noted that the reconciliation has been signed but not the bank statement, this is only partly in accordance with Financial Regulation 2.2.    **I recommend that council review this regulation and update procedures accordingly.** |  |
| Publication requirements | 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 two years, earlier years are retained in hard copy –    **I recommend these are scanned and added to the website**. |  |