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Our Ref: MARK/GOD001

The Town Clerk
Godalming Town Council
107-109 High Street
Godalming
Surrey
GU7 1AQ

4th July 2023

Dear Andy

Re: Godalming Town Council
Internal Audit Year Ended 31 March 2024 – Period Ended 30th June 2023

Executive summary

Following completion of our interim internal audit on 19th September 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 at the interim audit. Where appropriate **recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

The interim audit was conducted on site with all finance staff members and the clerk & RFO in attendance. Other information was reviewed on the council website and through discussion with the council staff.

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 Godalming 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 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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A. BOOKS OF ACCOUNT

Internal audit requirement

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

Audit findings

The council continues to use RBS Rialtus suite. This an industry specific accounting package. The RBS system is used daily to report and record the financial transactions of the council.

There are a number of access users. The system is cloud based and access is by secure log on to the local machine and a separate password for the cloud system. Passwords need to be changed between 30-60 days. This is a good control.

- RFO - full access all areas
- Clerk - Read only all areas
- Facilities supervisor - read write to bookings
- Support services - read write to bookings
- Receptionist – read write to bookings and purchase ledger

The system encompasses, sales ledger, purchase ledger and cashbook. It provides for reconciliation of key control accounts and regular reporting against budget.

Every month, a month end close down is performed by the RFO, various reports are printed in both soft & hard copy, with soft copies filed in logical order on the "W" drive, these include but are not limited to income and expenditure against budget, bank reconciliations and other reports as fit. The W drive is backed up daily by external IT company. The back up has not been recently tested, but there is no evidence it is not working as designed.

The RFO makes use of a control sheet to tick off the various reconciliations and financial activities that must be completed to finalise a month end. I have reviewed the April to August 23 months and can confirm the tick sheet is completed and the various reconciliations are in evidence. This is a robust, clear to follow system of internal control and demonstrates good working practices.

I also reviewed the bank reconciliation file and can confirm for June, July & August there was evidence of the RFO preparing and signing off the bank reconciliations, together with counter signatures for council approval. This demonstrates internal controls are in evidence and being followed.

The cashbooks are routinely saved and are also retrospectively accessible via the RBS package. The system requires the population of key data fields to enable the user to record a transaction with sufficient detail to understand the nature and scope of the transaction. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered, the reports are easy to read and logically filed.

My walk-through audit testing of receipts and payments to underlying documentation chosen at random from month three showed that the referencing system can be relied upon, and that the source documents could be easily located in the council records. I selected at random a Direct debit to Fuel Genie for £359.78 and a cashbook payment of £25,543.27 made on the 14th August and agreed these to the physical bank payments list & bank statement. I was then able to to agree this to the physical invoices and invoice list. Finally, the RFO was able to demonstrate direct debit approval request made to full council. I make no recommendation to change in this system.

I tested opening balances as at 1/4/23 and confirmed they could be agreed back to the audited accounts for 2022/23.

The council is VAT registered and the last VAT return was for quarter ended 30th June 2023. This was submitted using the software package under the making tax digital rules and was submitted on time ahead of the deadline. The return was a refund return, and I proved the amount of £15,587.99 shown on the return to the HMRC system and to the physical bank statements on the 11th July 2023. This test indicates that the council is up to date with its postings on the financial package and that these can be verified to third party evidence.

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 2022/23 was unqualified and returned in September this is being taken to full council on the 21st September 2023. This has been posted to the council website, along with the notice of conclusion.

There is also evidence of the internal audit reports being posted to the council website.

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that Councillors sign "Acceptance of Office" forms and "Register of members Interests" and "Acceptance to receive information by Electronic Means", all in line with regulations.

Each councillor is listed on the website, has a mini biography and link to their register of interests. I reviewed the website with the RFO, and it was verbally confirmed all councillors were up to date.

In addition to this, the council produces and provides a comprehensive hand book detailing items such as conduct, email use etc I am under no doubt the councillors are properly informed of their responsibilities and how to execute their duties responsibly..

Confirm that the Council is compliant with the GDPR.

The council is aware of GDPR, and it is noted the Council has common email addresses internally which gives a natural segregation between personal and professional so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

Confirm that the Council meets regularly throughout the year

The council has the following committees:

- Full Council; meets circa 6 times per annum
- Audit; quarterly
- Staffing; Quarterly
- P&M – 6 weekly
- Environment & Planning – 3 weekly

There are also a number of working parties and groups which meets as and when necessary to cover specific tasks. The committees all have terms of reference which are included in standing orders which were last adopted in Reviewed April 2023 and adopted by full council in May 2023.

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

I reviewed the agendas for meetings held in during April to August and can confirm that at least 3 clear days' notice is given. I also confirm that backup papers are in evidence and that these also comply with accessibility regulations.

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

Minutes are uploaded to the council website, and these agree to signed hard copies. These are also in accordance with accessibility regulations.

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

The standing orders are based on the NALC model. These were adopted by full council the May 2023 meeting.

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

Financial regulations are based on the NALC model. These were adopted by full council the May 2023 meeting.

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

Financial regulation 2.2 deals with bank reconciliations, the council is performing a monthly bank reconciliation for all accounts, and this is signed & minuted in accordance with regulations.

Financial regulation 3 deals with Annual estimates (Budget) and Forward planning. Budget monitoring reports are presented to the Policy and Management Committee at each meeting. The reports are logically presented with both summary and detailed narrative. I reviewed the June report and minutes and can confirm that councillors are well informed, and this is minuted.

Financial regulation 4 deals with budgetary control and authority to spend. The office has the power to spend within a budget heading and the clerk has emergency powers up to £4,500. The internal processes of the council are sufficiently robust to ensure before an order is placed the budgets are checked. On occasion it is necessary to get retrospective approval from council.

Financial Regulation 5 deals with authorisation of payments. The minutes show authorisation of payments lists in accordance with regulations. The bank mandate is up to date.

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit, debit card and bacs. The system in place is routinely followed and a review of the payments file showed all summaries are signed and invoices verified. There is no doubt payments are properly reported to council, approved and the physical payment authorised.

Financial Regulation 11.10 sets out the de-minimis limit for the competitive purchase of goods and services is as listed below.

- £25,000 + Tender Process
- £5,000 - £25,000 3 quotations are required.
- 0 - £5,000 – power to spend

Financial Regulation 14.5 & 14.2 deals with the purchase of tangible fixed assets in excess of £2,000

I reviewed the nominal ledger for the period 1st April to 19th September and noted the following expenditure items above £5,000

1. £5,759.53 - NNDR Rates – no additional process to required to be followed
2. £6,400 - Balance of payment for coronation concert held in 2022/23 – no further processes to be followed
3. £22,100 – VAN purchase 06/04/23 SG18 ZTN cost centre 201 NL 4301 equipment (see notes below)
4. £11,247.17 - VAN purchase 01/06/23 WA61 FUO cost centre 201 NL 4301 equipment (see notes below)
5. £28,000 – grant 27/04/23 cost centre 201 NL 4341 - (see notes below)
6. £125,000 – CIL busbridge school Muga project 06/09/23 cost centre 101 4900 misc expenditure - (see notes below)
7. Repayments on PWLB loans & interest – no additional processes to be followed.

VAN Purchases: A business case was presented to Waverley BC for funding towards the two new vans. This was presented in October 2022. Full funding is being provide over two years. Nil cost to GTC. No further testing required.

The grant application was properly approved by council as part of a long term 4 year agreement that expires in 2023.

The CIL money funding was agreed in meetings of Full Council on the 28th April 2022 minute ref 582-22 for £60k and 15th Dec 2022 minute ref 413-23 which increased to £125k. No further testing required.

In addition to this, the RFO advised that a business case was presented to the recent meeting of P&M of the 07/09/2023 for the purchase of a replacement van. I have reviewed the case document attached to the agenda and whilst there is considerable detail regarding the type of van, **the information regarding the funding and future running costs is a little light and could be clearer. I discussed this with the RFO and noted this has already been identified as a weakness. A paper is being prepared to present to council for a new process to ensure each business case presentation addresses key risks as described in the councils risk management strategy. I have seen a draft copy of this proposal and I would recommend its adoption in due course.**

I also discussed the purchasing system with the RFO vis-à-vis financial regulations 4, 5 & 6 and ascertained that the regulations are being followed at a local level as described below:

1. Regular and recurring expenditure (rent, rates, wages, light & heat, contractual spend etc.) is known and authorised in advance (budget setting or tender process). These are, in the main, paid via direct debit, standing order or on-line banking. Evidence was noted in the minutes of advance variable direct debits being properly authorised.
1. An ad hoc expenditure requirement is identified and noted to the clerk/RFO – this can be from a number of sources and depending on the financial amount will be discussed in advance with council, committee or chair. If required, this is approved in advance by council committee before the expenditure is incurred. My audit testing showed via the minutes that there is where appropriate discussion of expenditure before the orders are placed.
2. The order is made via the office – councillors are not allowed or permitted to place amend or vary orders.
3. The supplier invoice, when received, is reviewed by the RFO and box stamped and passed to budget holder for authorisation and review. My audit testing showed that supplier invoices do all have a box stamp.
4. The authorised invoices are then returned to the RFO and are input into the financial reporting package.
5. On a weekly basis a payments list is prepared by a member of staff and reviewed by the RFO, and councillors are invited to approve the payment sheet and approve the invoices via email. The RFO sets the payments up on the on-line banking screens and prints this out in hard copy and the clerk verifies the list to the bank print. The clerk then authorises the physical payment on the bank system. Dual access is not required to access bank. The RFO accesses bank account and inputs payment and Town Clerk reviews input against schedule and signs that it is correct.
6. The payments list is taken to committee for approval in accordance with regulations.

In conducting our walk-through testing, we were able to verify entries from the cashbook to the payments list. The payments list was agreed to the bank payment list and evidence of sign off was noted. We were further able to agree entries on the payments list to the physical invoice and the various annotations on the invoice. This is a very robust system with evidence of segregation of duties and hierarchical review. I am under no doubt the council is properly processing invoices for payment.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £8.41 (2021: £8.32 per elector.)

The council has no S.137 expenditure because they have GPC. This was approved in May 2019 at the annual meeting. I have verified this to the minutes.

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

The client has an internal audit committee, with a detail remit and schedule of works. In July 2021 a body of review work was presented and documented. No errors or omissions were noted. I am under no doubt the council has robust internal controls in place.

The system noted above details internal review takes place and I am under no doubt that council properly approves expenditure.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Audit findings

The council has a comprehensive risk management strategy in place. 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, with the long term renewal date of March 2025. The policy includes Public Liability cover of £12 million, Employers Liability cover of £10 million. The fidelity guarantee /money cover is £1,000,000.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Audit findings

I confirmed that the 2024-25 budget and precept setting process was underway at the time of the internal audit. The clerk and RFO are in discussions with the new council. The RFO is aware of the deadlines.

Councillors receive regular reports on budget against actuals via reports to the Policy and Management Committee. I reviewed the report for the period to end of July 2023 and was able to confirm that the budget is well managed and reported on. Overspends have been properly explained and approval for funding sought from Councillors.

The Council has well developed reserves, which are properly maintained and recorded. At the interim audit date the council has £818k of general reserves and £689k of earmarked reserves. It is forecasted that at the end of the council year general reserves could be at £460k.

I discussed the earmarked reserves with the RFO and RFO was able to provide explanations and reasons for all reserves. I am of the opinion these are bonafide reserves.

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, including, grants, donations, room and facility hire income, rental income, 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.

I verified a selection of sales invoices drawn from the nominal ledger and agreed these back to the hard copies, the VAT and charge rates were agreed to underlying charge sheets. It was identified on invoice GTC5388 that no VAT had been charged on a recharge of insurance cost, similarly invoice number GCT5416. Recharges of expenses carry VAT. The only time no VAT is charged is in the case of a genuine outside the scope of VAT disbursement is for an expense in the name of the client. **I recommend a review of recharged expenses to ensure the correct Vat treatment.**

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 no longer maintains petty cash floats, and now uses expenses claims.

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

To be tested at final audit

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

To be tested at year end

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation 2.2 On a regular basis, at least once in each quarter, and at each financial year end, 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 exceptions, to and noted by the Audit Committee.

The bank reconciliations for all accounts are completed on a monthly basis by the RFO, and are presented to the Audit committee meetings for review. I reviewed the bank statement folder and can confirm monthly reconciliations were filed in order and signed off by the RFO. I was also able to prove that the June reconciliation was reviewed, and counter signed in accordance with financial regulations. I was able to confirm all the balances to the bank statements and found no errors.

Due to the council's budget exceeding €500,000, it does not benefit from any protection from the Financial Services Compensation Scheme (FSCS). However, it is clear the council carefully considers its banking arrangements and has an adopted Investment Strategy dated the 22nd May on its website, which were re-adopted by Full council at its annual meeting.

J. YEAR END ACCOUNTS

Internal audit requirement

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

Audit findings

Section 1 – Annual Governance Statement

	Annual Governance Statement	<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>	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 is experienced and 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 2022/23 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 has completed two audits during the year.
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 – where matters are raised, action taken by council is recorded
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<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	<i>has met all of its responsibilities where, as a body corporate, it is a sole</i>	N/A – the council has no trusts

	responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>managing trustee of a local trust or trusts.</i>	
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Section 2 – Accounting Statements

AGAR box number		2021/22	2022/23	Auditor notes
1	Balances brought forward	519,501	764,098	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	769,225	928,755	Figure confirmed to central records
3	Total other receipts	428,417	269,160	Agrees to underlying records
4	Staff costs	420,299	536,234	Agrees to underlying records
5	Loan interest/capital repayments	77,703	77,703	Verified against PWLB records
6	All other payments	455,043	494,538	Agrees to underlying records
7	Balances carried forward	764,098	853,538	Cast correctly and agrees to balance sheet

8	Total value of cash and short-term investments	752,200	836,759	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	1,980,004	1,985,356	Matches asset register
10	Total borrowings	1,415,083	1,382,692	Confirmed to 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>

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 and accruals with the Clerk and am satisfied that these are all legitimately posted to the accounts.

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 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")

Audit findings

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

L: PUBLICATION OF INFORMATION**Internal audit requirement**

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

Audit findings

The council 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 a statutory requirement.

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

Expenditure exceeding £500	On the website
Government Procurement Card transactions	On the website
Procurement information	On the website

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

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

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

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

- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
- (b) the Annual Governance Statement approved in accordance with regulation 6(3)

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

- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
- (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

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

A review of the council website shows that the council is publishing information contained within the code, the website is easy to navigate and logically presented. Information is clearly posted and easy to locate and complies with accessibility regulations.

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

The authority, during the previous year (2022-23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set

Audit findings

Inspection – key dates	2022/23 Actual
Date AGAR signed by council	27 th May 2023
Date inspection notice issued	TBC
Inspection period begins	5 th June
Inspection period ends	14 th July
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

I am satisfied the requirements of this control objective were met for 2020/21, 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 2022/23. 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 publication requirements for 2022/23 have been met and the Notice of Public Rights is published on the council website.

O. TRUSTEESHIP**Internal audit requirement**

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

Audit findings

The council has no trusts, and this test does not apply.

Achievement of control assertions at interim audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives are summarised in the table below. A further review and update of this opinion will be conducted at the final audit.

	INTERNAL CONTROL OBJECTIVE	YES	NO	NOT COVERED
A	Appropriate accounting records have been properly kept throughout the financial year	✓		
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	✓		
C	This authority assesses the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	✓		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for			✓
G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.			✓
H	Asset and investments registers were complete and accurate and properly maintained.			✓
I	Periodic bank account reconciliations were properly carried out during the year.	✓		
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K	If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>			✓
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M	The authority, during the previous year (2022-23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <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



Mark Mulberry
For Mulberry & Co

Interim Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
Procedures & Governance	The business case information presented to council was identified as a weakness by the RFO and internal audit concurs. A paper is being prepared to present to council for a new process to ensure each business case presentation addresses key risks as described in the councils risk management strategy. I have seen a draft copy of this proposal and I would recommend its adoption in due course.	