MULBERRY
LOCAL AUTHORITY SERVICES LTD
Eastgate House
Dogflud Way, Farnham
Surrey, GU9 7UD
t 01252 929 590
e office@mulberrylas.co.uk
w www.mulberrylas.co.uk

Our Ref: MARK/ALT001

The Clerk to the Council
Alton Town Council
Town Hall
Market Square
Alton
Hampshire
GU34 1HD

3rd July 2024

Dear Pat

Re: Alton Town Council
Internal Audit Year Ended 31 March 2025 – Interim Audit report 1 of 4 Q/E 30/06/2024

Executive summary

Following completion of our Interim internal audit on 3rd July 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 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 Alton 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, 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 & future assignments. Copies of this document are available on request. Revised 2024/25 Engagement letters will be issued shortly.

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

The audit was conducted on site with the clerk/RFO & Finance Manager. The RFO had prepared the information advised in advance of the visit other information was reviewed through a review of the council website https://www.alton.gov.uk/

The council continues to use the Rialtus accounting package for recording the day-to-day financial transactions of the council. This is an industry specific accounting package. In addition to this, the council uses spreadsheets to produce council reports. The system is used regularly to record transactions and produce management information reports for review at council meetings.

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 are not routinely prompted for change; however, the two factor authentication process provides secure access. In addition to this, the multiple access reduces the inherent risk of not being able to access the system. There are four users:

1. Town Clerk – oversight role
2. Finance Officer – all financial duties
3. Finance & Administration Manager – reconciliations
4. Administrator – pitch bookings and allotments

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

The finance department produces both soft and hard copy reports which are appropriately filed.

The system backs up regularly which is monitored by an external IT provider.

The financial package has a built in Purchase Order (PO) system which is set such that the originator of a PO cannot match a supplier invoice to the same transaction. This is the same as the bank system where by an originator of a payment cannot authorise the same payment. The technology provides a form of segregation of duties which reduces the inherent risk of error or misstatement.

A review of the offices and the filing systems shows that the council takes the finance function seriously and appropriate safeguards in in place to ensure documents are stored safely and securely.

My walk-through audit testing of receipts and payments to underlying documentation chosen at random showed that the referencing system can be relied upon, and that the source documents could be easily located in the council records. I make no recommendation to change in this system.

I tested the opening balances as at 1/4/24 by reviewing the balance brought forward on the receipts page on the Rialtus accounting package and confirmed it could be agreed back to the investment reconciliation for the audited accounts for 2023/24.

I am of the opinion that the council keeps appropriate records and uses the systems for the purpose for which they are intended

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 2023/24 AGAR is correctly published in draft on the website – approval was minuted in May 2024.

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 their individual Register of Members’ Interests Forms can be found on the district website.

It is noted that the new councillor will need to sign a declaration to receive information by electronic means.

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 .gov 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 an accessibility statement.

Confirm that the council meets regularly throughout the year.
In addition to full council, the council has staffing and climate change committees.

A diary of future meeting dates is also published on the council website, along with historic agendas and minutes for council and committee 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.

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. I also note that not all of these are in accessible format.

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 reviewed in April 2024.

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.
Financial Regulations are based on the current NALC model. The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council. These were reviewed in April 2024.

Check that the council’s Financial Regulations are being routinely followed.
I reviewed the councils internal purchase ledger process which is summarised below.

- The council staff will agree through internal discussion if an expenditure item is required as per financial regulations 4.1 and 4.2 (shown below)
- The administrator raises a PO on the Rialtus system, which is printed and filed together with supporting documentation. This is verified by the Finance and Admin Manager.
- Supplier invoices received are posted by Finance Officer to Rialtus, the system recognises PO by supplier – checks are made to ensure invoice matches PO. Queries investigated. The invoice is stamped use to annotate invoice with key information and signature of person processing.
- Supplier invoices are filed in the “awaiting authorisation” folder.

- Finance and Admin Manager reviews outstanding invoices, for payment which is made twice monthly.
- The Finance Officer logs on to the bank system and posts the payments. New supplier set up requires dual authorisation from bank systems. Supplier invoice is date stamped "paid" and given unique internal code
- The Finance Officer scans invoices and emails to two councillors on a rotational basis – or councillors asked to attend site to review hard copies.
- Councillors log on to bank systems using their own personal log on to authorise the payment. Physical payment requires two authorisations.
- Supplier paid invoices are filed in date paid and then alphabetical order together with Rialtus payments list.

Direct debit invoices authorised and filed in same manner as above.

Financial Regulation Test
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:

- *the council for items over £10,000; or*
- *a duly delegated committee of the council for all items over £5,000*
- *The clerk for any items below £5,000.*

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

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

FR 4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

Audit Results
Transactions Over £10k

- 02/04/2024 Zurich Municipal Management - Insurance £24,035.93 – agrees to invoice and minute ref 250 FC Feb 22
- 09/04/2024 The Kings Arms - Grant £10,000.00 – agrees to invoice and sla 15/10/19
- 09/04/2024 Flint Construction Ltd - Assembly Rooms £20,058.00 – agrees to invoice & minute ref 1/11/23 ref 61

Transactions over £5k

- 09/04/2024 Bushy Leaze - Grant £5,000.00 – agrees to schedule and minutes 10/1/24 ref 70
- 08/06/2024 – Green Frontiers Garden Car - Tree work £5,290.80 – agrees to 2 x invoices both under £5k

In respect of the Assembly rooms – a grant was preapproved at Full Council on the 1st November ref 61 that provided for £45,800 of works plus 10% contingency. A detailed spreadsheet is maintained to show how this is being extinguished, to ensure the budget is not exceeded. I have reviewed the spreadsheet and can confirm council is properly monitoring and approving this expenditure.

Financial Regulation Test
4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

Audit Results
I reviewed the minutes of the staffing committee for the 29th November 2023 Minute Ref 763 and noted approval of the salary budgets and signing off of the detail list of salary changes.

Financial Regulation Test
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 £5,000. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

Audit Results
No such expenditure in the first quarter.

Financial Regulation Test
4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available, and the requisite borrowing approval has been obtained.

Audit Results
No tenders started in quarter 1. As noted above under FR 4.1, the council has a robust system of monitoring capital expenditure and use of capital budgets. There has been no earmarked reserve expenditure in Q1.

Financial Regulation Test
4.8. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of 15% of the budget.

Audit Results
I reviewed the pack of information submitted to full council for the 5th June meeting and can confirm that income versus budget information is prepared and presented and that minutes show council approval/discussion of the same.

Financial Regulation Test
5.2. The Assistant to the Clerk will prepare a schedule of payments requiring authorisation, together with the relevant invoices, and present the schedule to at least two councillors for approval. The relevant councillors shall review the schedule for compliance and, having satisfied itself shall authorise payment via cheque or BACS. A detailed list of all payments over £500 shall be disclosed within or as an attachment to the agenda for the next meeting of the full council. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

Audit Results
I reviewed the pack of information submitted to full council for the 5th of June meeting and can confirm that a payments list of items over £500 is included for councillor approval.

The process of authorising payments is in accordance with regulation and I have noted evidence of councillor approval on the email system.

Financial Regulation Test
5.3. All invoices for payment shall be examined, verified, and certified by either the RFO or the Deputy Clerk to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.

Audit Results
I reviewed the supplier invoices file and can confirm invoices are annotated with an approval stamp.

Financial Regulation Test
5.4. A record of regular payments made under 6.6 below shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.

Audit Results
No separate record is made of the DD invoices – there is no evidence of any duplicate payments being made and supplier invoices are clearly marked if to be collected by DD.

Financial Regulation Test
5.5. In respect of grants full council shall approve expenditure within any limits set, and in accordance with any policy statement approved. Any Revenue or Capital Grant in excess of £10,000 shall before payment, be subject to ratification by resolution of the council.

Audit Results
Council pre approves Grants in an annual cycle. I have noted the November 2023 minutes approving the grant expenditure.

Financial Regulation Test
6.2 Following authorisation under Financial Regulation 5 above, the council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.

6.3. All payments shall be affected in the first instance by Bank Transfer (BACS or CHAPS) provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories and evidence retained and any payments are reported to council as made.

Audit Results
Approved and annotated invoices due for payment (bi monthly payment run) are emailed to the councillors for payment approval, the payment run is then populated on the internet bank system and councillors emailed again to log on and approve the payment. This is a dual access system.

Financial Regulation Test
6.4. Where payment is required to be made by Cheque this shall be signed by two members of council in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

Audit Results
Only 1 cheque has been issued in the last 6 months for reimbursement of expenses. **I remind council to ensure the cheque stub is initialled twice.**

There is regular detailed financial reporting to council and committee meetings, and it is clear a large amount of work goes into producing reports for consideration by councillors. Financial reports are clear and provide enough information for councillors to make informed financial decisions.

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £9.93 per elector.
The council no longer holds the GPC and confirmed this minute ref 11 on the 29th of May 2024. Council fully understands the consequences of this and the minute clearly states that council will revert to operating under the specific powers. Projects already started under GPC maybe allowed to continue, but no new projects may commence.

Check receipt of VAT refund matches last submitted VAT return.
The council is VAT registered and the last VAT return was for period ended 30th June 2024, showing a liability of £15,043.82. 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.

To be tested at a later interim visit

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.

To be tested at a later interim visit

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.

To be tested at a later interim visit

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 petty cash float of £81 was agreed to underlying schedule and physical cash. The petty cash book is written up in logical fashion with a running total. Receipts are kept in an envelope in the petty cash tin. Petty cash is used for milk, coffee, parking and small office sundries. There are about six or seven transactions per month.

I note that VAT is occasionally reclaimed but not on all items.

I have reviewed the Rialtus entries and can confirm they matched the petty cashbook and that these reconciliations are signed as part of the monthly bank reconciliation process.

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.

To be tested at a later interim visit

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

To be tested at a later interim visit

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial regulation 2.2 states "*On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman 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 Full Council"*

In accordance with FR 2.2, the council is preparing a monthly bank reconciliation for all accounts and petty cash. The reconciliations are printed in hard copy and are physically signed by two council members. There is evidence in the minutes of the bank reconciliations then being approved. [Minute ref 19, 05/06/2024)

I have reviewed the bank reconciliations for April, May and June 2024 – there were no errors.

I am of the opinion bank reconciliations are properly carried out and that this assertion has been met.

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 ability of this authority to conduct its business or manage its finances.	*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.
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 2023/24 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.	*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** – all 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	*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.

	authority and. Where appropriate, have included them in the accounting statements.		
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	*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		2022/23	2023/24	Internal Auditor notes
1	Balances brought forward	730,514	1,049,931	Agrees to 2022/23 carry forward (box 7)
2	Precept or rates and levies	781,195	826,979	Figure confirmed to central precept record
3	Total other receipts	891,894	1,099,126	Agrees to underlying accounting records
4	Staff costs	494,143	505,927	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	9,411	9,411	Confirmed to PWLB documents
6	All other payments	850,118	872,846	Agrees to underlying accounting records
7	Balances carried forward	1,049,931	1,587,852	Casts correctly and agrees to balance sheet

8	Total value of cash and short-term investments	1,051,425	1,588,383	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long-term investments and assets	3,059,087	£3,092,603	Matches asset register total
10	Total borrowings	187,538	182,280	Confirmed to PWLB documents

For Local Councils Only		Yes	No	N/A	
11a	Disclosure note re Trust Funds (including charitable)		✓		*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 an income and expenditure basis with the box 7 and 8 reconciliation explained due to year-end debtors, creditors, accruals, payments in advance and receipts in advance. Amounts for each of these are similar to those for the previous year and appropriate for a council of this size and financial activity level.

The AGAR correctly casts and cross casts and last year's comparatives match the figures submitted for 2023/24 and published on the council website.

The variance analysis has been completed 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 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")

Audit findings

The council did not certify itself as exempt, 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

At present no specific guidance has been provided to set out what the 'relevant legislation' is in respect of Control Objective L. We have therefore considered the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) Regulations 2015 [https://www.legislation.gov.uk/uksi/2015/480/made/data.pdf] and, 2015/494 The Smaller Authorities (Transparency Requirements). https://www.legislation.gov.uk/uksi/2015/494/pdfs/uksiem_20150494_en.pdf

In addition to this, we have considered the additional publication requirements as set out in the ICO Model Publication Scheme for Parish Councils. https://ico.org.uk/media/for-organisations/documents/1153/model-publication-scheme.pdf & https://ico.org.uk/media/for-organisations/documents/1266/parish_council_information_guide.doc

<u>All councils</u> 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.

The council has income and expenditure in excess of £200k and follows the Local Government Transparency Code 2015. I reviewed the web site and can confirm the council has a dedicated transparency page with links to the required information.

I reviewed the model publication scheme requirements and can confirm the council has a policy dated 2015 in place to cover the requirements and this is posted on the website alongside other GDPR and Public information policies. This is being reviewed in July 2024.

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 financial years 2018/19 to 2023/24 inclusive.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority has demonstrated that during summer 2024 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2023/24
Date AGAR signed by council	1st May 2024
Date inspection notice issued	27th May 2024
Inspection period begins	3rd June 2024
Inspection period ends	12th July 2024
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 2023/24.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority has complied with the publication requirements for 2023/24. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2024 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 2023/24, approved and signed, page 4*
- *Section 2 - Accounting Statements 2023/24, approved and signed, page 5*

Not later than 30 September 2024 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 draft AGAR. I was able to confirm that the publication requirements for 2023/24 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 – this test does not apply.

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 2023/24, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2023/24 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 (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).*	✓		
N	The authority has complied with the publication requirements for 2023/24 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

<u>Mark Mulberry</u>
Mulberry Local Authority Services Ltd

2023/24 Audit point cfwd

Audit Point	Audit Findings	Council comments
L. Transparency & Publication	**It was noted this will need updating for the 2023/24 council year, namely pay-multiple, senior salaries organisation chart and grants. I would also recommend showing those items as required by the act even if the council does not have them and to state this as this will show the items are not overlooked.** I reviewed the model publication scheme requirements and can confirm the council has a policy dated 2015 in place to cover the requirements. **I recommend this is reviewed as it is quite aged now and the website updated accordingly.**	Completed July meeting

2024/25

Audit Point	Audit Findings	Council comments
Financial Reg 6.5	*To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.* **Audit Results** Only 1 cheque has been issued in the last 6 months for reimbursement of expenses. **I remind council to ensure the cheque stub is initialled twice.**	
Governance	*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 their individual Register of Members' Interests Forms can be found on the district website. **It is noted that the new councillor will need to sign a declaration to receive information by electronic means.**	