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Our Ref: MARK/ALT001

The Town Clerk
Town Hall
Market Square
Alton
Hampshire
GU34 1HD

17th August 2023

Dear Leah

Re: Alton Town Council

Internal Audit Year Ended 31 March 2024 – Period Ended 30th June 2023

Executive summary

Following completion of our interim internal audit on 4th July 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 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 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. 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 the Rialtus Business Solutions (RBS) software accounting package for recording the day-to-day financial transactions of the council. This is a tried and tested industry specific package and I make no recommendation to change. The system is used regularly to record transactions and produce management information reports for review by council and committees.

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

There is a dual log on process for access, firstly to the council system, then the cloud based version of Rialtus. The council augments the Rialtus suite with Microsoft 365 products. The bookings system and allotments system are part of the Rialtus suite.

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. **I would recommend that the back up is tested verified for council peace of mind.**

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.

I reviewed the cashbook on screen and performed a walk through test on “outstanding supplier invoices” and “paid supplier invoices” drawn at random. I was able to locate the supplier invoices walking through from the cash book to the supplier invoice and from the supplier invoice back to the cashbook. There were no errors. This test indicates the referencing system is robust and fit for purpose and the system can be relied upon.

The system is populated with sufficient narrative, such that a casual reader can garner an understating of the nature and scope of the transaction.

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

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 has not been returned yet.

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 a link to the East Hampshire District Council website where details of the Disclosable Pecuniary Interests of each Member are published. **I noted that the list on the district council website needs to be updated as this only lists 9 councillors.**

The councillors should sign a formal acceptance to receive information by electronic means. I have provided some sample wording below for council consideration.

"As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time."

Confirm that the council is compliant with GDPR

The council is fully aware of GDPR and has undergone training. It was noted the council has established common email addresses for all councillors. This is recommended because it gives a natural segregation between work and personal lives, making it clear beyond doubt in what capacity a councillor is acting. In addition to this it gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

The Joint Panel on Accountability and Governance (JPAG) Practitioner's Guide (March 2023) contains updated guidance on the matter as below:

The importance of secure email systems and GOV.UK

- 5.205. All authorities except parish meetings must now have an official website. To comply with GDPR, councils should provide official email accounts for their councillors as well as for their clerk and other officers.
- 5.206. When choosing a domain name for the council's website and emails, many local council websites are appropriately making use of the official GOV.UK domain (for example, *ourparishcouncil.gov.uk*), with email addresses being linked to that domain.
- 5.207. Using a GOV.UK domain for your council website and email accounts demonstrates the council's official local government status. Members of the public are increasingly cyber security awareness, so a GOV.UK domain can also help to build trust, and credibility and visibly demonstrates authenticity. Many people will now reasonably expect a local council to have a GOV.UK domain name.
- 5.208. For the purposes of user management, councils should ensure that the proper officer can add and remove member and staff email accounts. Commercial 'dashboard' email and web systems offer centralised searching of all data contained within the system for effective compliance with GDPR Subject Access Requests and Freedom of Information Requests.

It is clear the council takes its responsibilities seriously and has made every effort to comply with the legislation.

Confirm that the council meets regularly throughout the year

In addition to full council, the council has an established committee structure, with two committees, one for planning and transport and the other for climate change. There are Terms of Reference in place for planning and travel alongside a detailed Scheme of Delegation for the Clerk. There are regular scheduled meetings, with details of older meeting agendas and minutes published on the website, along with a diary of upcoming meeting dates.

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

The Clerk was able to demonstrate 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. It was noted that supporting documentation for agendas is also published on the council website.

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

Draft minutes are uploaded to the council website and clearly marked as draft. These are subsequently replaced with final versions once approved.

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 on 1st February 2023 (minute ref 193/2).

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 on 26th April 2023 (minute ref 246). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

The council has modified the NALC model to better reflect the size and structure of the council's financial operations, and the changes allow the council to operate in an effective and efficient manner, without excessive need for obtaining council approval for routine payments already approved in the budget.

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.

The council has thresholds in place at which authorisations to spend must be obtained, which are an example of the alterations to the NALC model, 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:

- *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 4.5. 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 £5000. 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. During the interim audit I tested invoices above and below these thresholds and found no evidence of the regulations not being adhered to.

However, the regulations do need to be adjusted to reflect the removal of the committees. In addition to this, it was noted that for small purchase items where no PO is required per financial regulation 10.1 we could not always find a corresponding authorisation slip per 4.1 above. I recommend the wording of financial regulation 4.1 is reviewed to better reflect the day to day use of authorisation slips.

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 has adopted the General Power of Competence (GPC) and the thresholds do not apply.

Check receipt of VAT refund matches last submitted VAT return.

The last VAT return was for the quarter to 30th June 2023 which shows a refund of £26,772.88. The council is up to date with its returns. The March quarter refund was received on the 24th April 2023.

I tested the VAT reports and using the audit trail was able to walk back to the underlying supplier invoices, there were no errors.

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

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

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

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

Audit findings

The council has a comprehensive risk management process in place, the financial risk assessment was last reviewed by council in April 2023. 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

The council set a precept of £826,978.69 for 2023/24. The minutes confirmed that the budget setting process and precept setting was completed at the meeting held on 25th January 2023 (minute ref 171).

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

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 council maintains a petty cash float, used for incidental expenses. Petty cash records are retained in a hard copy book and the physical cash is checked and balanced at the end of each month by the Finance & Admin Manager.

I checked the physical cash and outstanding receipts and was able to confirm the balance as correct.

G. PAYROLL

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

I verified the council is not claiming the employment allowance. The rest of the testing will be completed at a later interim 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 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.'

Bank reconciliations are completed on a monthly basis, independently checked and presented to council meetings for review. I reviewed the reconciliations presented for the interim audit. I was able to confirm the balances to the bank statements and found no errors. I am also able to confirm that the reconciliations and the face of the bank statements are physically signed; however, it was noted the March 2023 reconciliation was signed by the chair of the council, which is specifically prohibited by financial regulation. **I recommend council review this reconciliation and amend signing practices for future reconciliations.**

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 in place, although this is dated 2016. I understand this is tabled for review in September 2023 by full council.

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	'Yes', means that this authority	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	YES – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	YES – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	YES – the Clerk 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	502,788	534,446	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	713,565	735,270	Figure confirmed to central records
3	Total other receipts	334,388	644,519	Agrees to underlying records
4	Staff costs	426,627	427,395	Agrees to underlying records
5	Loan interest/capital repayments	9,411	9,411	Confirmed to PWLB records
6	All other payments	580,257	746,915	Agrees to underlying records
7	Balances carried forward	534,446	730,514	Casts correctly and agrees to balance sheet

8	Total value of cash and short-term investments	623,343	811,950	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	2,809,268	2,881,317	Matches asset register
10	Total borrowings	197,710	192,680	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. The box 7 and 8 reconciliation has been completed using the RBS information.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2020/21 AGAR. Figures have been verified against underlying accounting records where appropriate.

The variance analysis has been correctly completed with sufficient detail to explain the changes over 15% compared to the previous year's totals.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in 2020/21, 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")

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	On the website
Social Housing Assets	This is not explicitly shown on the website
Grants to voluntary, community and social enterprise organisations	On the website
Organisational Chart	This is not explicitly shown on the website
Trade union facility time	The council does not have this
Parking account	The council does not have this
Parking spaces	The council does not have this
Senior salaries	This is not explicitly shown on the website
Constitution	This is not explicitly shown on the website
Pay multiple	This is not explicitly shown on the website
Fraud	This is not explicitly shown on the website

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 some of the information contained within the code through a Transparency section on the website. While some of the information is very current (expenditure items over £500 most recently published for Jan to March 2023), others appear out of date. For example, Asset Register dated 1st March 2022. **I recommend a review of the information to ensure the most current versions are correctly linked to the Transparency section. I also 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**

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

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

Audit findings

Inspection – key dates	2022/23 Actual
Date AGAR signed by council	26 th April
Date inspection notice issued	1 st June
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 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 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.

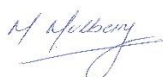
Achievement of control assertions at interim audit date

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
A. Books of Account – system back up	I would recommend that the back up is tested verified for council peace of mind.	
B. Governance	I noted that the list on the district council website needs to be updated as this only lists 9 councillors. The councillors should sign a formal acceptance to receive information by electronic means. I have provided some sample wording below for council consideration. <i>“As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time.”</i>	
C. Financial Regulations	The regulations need to be adjusted to reflect the removal of the committees. In addition to this, it was noted that for small purchase items where no PO is required per financial regulation 10.1 we could not always find a corresponding authorisation slip per 4.1 above. I recommend the wording of financial regulation 4.1 is reviewed to better reflect the day to day use of authorisation slips.	
I. Bank & Cash	I recommend council review the reconciliation process and amend signing practices for future reconciliations.	
L. Publication	I recommend a review of the transparency information to ensure the most current versions are correctly linked to the Transparency section. I also 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	