East Dean & Friston
Parish Council

Date: **04 January 2024**

Title: **Report Item 10 – Internal & External Audit Reports**

By: **S Adeniji (Clerk)**

Purpose: **To note and accept the internal & external auditor's reports**

Recommendations: **a) To review and accept the External Auditor's Report and Certificate 2022/23**
b) To review and accept the Internal Auditor's Interim Internal Audit Report for 2023/24.

Introduction:

1. The Local Audit & Accountability Act 2014 and the Accounts & Audit Regulations 2015 set out the responsibilities of all local councils in respect of their accounting and auditing procedures.

2. Each year, the Council's financial accounts and statements must be examined by an independent internal auditor appointed by the Council. For the year 2023-24, this is Mark Mulberry and Co.

3. The Council is also required to complete an Annual Governance & Accountability Return (AGAR) which includes the findings of the internal auditor, together with Governance Statements and Financial Statements. The AGAR is then submitted to the independent external auditor appointed by the Audit Commission for examination. The current external auditor is PKF Littlejohn

4. The External Auditor's Report and Certificate for 2022/23 can be found in ANNEX A of this report.

5. An interim internal audit was conducted by Mulberry and Co. on the 16th of December. No major findings were found. The interim internal audit report can be found in ANNEX TWO Page 10 of the report highlights two minor recommendations

   FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS
   - Putting a Privacy Notice in place and updating the clerk information before the year-end audit.

   RISK MANAGEMENT AND INSURANCE
   - Increase the Fidelity Guarantee insurance to £150,000-£200,000 as at present the funds being held are over £100,000, the council is not covered by the FCS scheme, so must ensure that the Fidelity Guarantee covers the total amount of funds of the council.

6. A privacy notice has been created and is now available on the website. When the Council's insurance policy is up to renewal, the fidelity guarantee cover will be increased to £150,000 to cover the total sum held in the Council's bank account.

Section 3 – External Auditor's Report and Certificate 2022/23

In respect of **East Dean and Friston Parish Council - ES0029**

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

• summarises the accounting records for the year ended 31 March 2023; and
• confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2022/23

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The AGAR was not accurately completed before submission for review.

- Section 2, Box 4 in the prior year incorrectly includes items which are not staff costs as defined in the Joint Panel on Accountability and Governance Practitioners' Guide. Please note that Box 4 should comprise payments made in relation to the employment of staff including only gross salary, employers' national insurance contributions, employers' pension contributions, gratuities for employees or former employees and severance or terminations payments to employees. Employment expenses which are benefits (mileage, travel, etc.) and items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority are not staff costs for the purpose of completion of the AGAR in accordance with proper practice. The prior year figures in Section 2, Boxes 4 and 6 should read £18,848 and £49,930 (respectively).

Other matters not affecting our opinion which we draw to the attention of the authority:

None

3 External auditor certificate 2022/23

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature | Date 13/08/2023

MULBERRY & CO
Chartered Certified Accountants
Registered Auditors
& Chartered Tax Advisors

Eastgate House, Dog Flud Way
Farnham
Surrey, GU9 7UD

t + 44(0)3303 450590
e office@mulberryandco.co.uk
w www.mulberryandco.co.uk

Our Ref: MICHELLE/EAS010

Mrs S Adeniji
East Dean and Friston Parish Council
1 Buckle Drive
Seaford
East Sussex
BN25 2QH

18 December 2023

Dear Sam

Re: East Dean and Friston Parish Council
Internal Audit Year Ended 31 March 2024 – Interim Audit report

Executive summary
Following completion of our interim internal audit on 18 December 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.**

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 East Dean and Friston Parish 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 Michelle Webber on behalf 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 27 years' experience in the financial sector with the last 12 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Engagement Letter
An engagement letter was previously issued to the council covering the 2023/24 internal audit assignment. Copies of this document are available on request.

Planning and inherent risk assessment
The scope and plan of works including fee structure was issued to the council under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR. 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.

Table of contents

		TEST AT INTERIM	TEST AT FINAL	PAGE
A	BOOKS OF ACCOUNT	√		3
B	FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	√	√	3
C	RISK MANAGEMENT AND INSURANCE	√	√	5
D	BUDGET, PRECEPT AND RESERVES	√	√	5
E	INCOME	√		6
F	PETTY CASH	√		6
G	PAYROLL	√	√	6
H	ASSETS AND INVESTMENTS	√	√	6
I	BANK AND CASH	√	√	7
J	YEAR END ACCOUNTS		√	7
K	LIMITED ASSURANCE REVIEW	√		7
L	PUBLICATION OF INFORMATION		√	7
M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS	√	√	8
N	PUBLICATION REQUIREMENTS	√	√	8
O	TRUSTEESHIP	√		8
	ACHIEVEMENT OF CONTROL ASSERTIONS AT INTERIM AUDIT DATE			9
	INTERIM AUDIT POINTS CARRIED FORWARD			10

A. BOOKS OF ACCOUNT

Internal audit requirement

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

Audit findings

The interim audit was conducted on site with the Clerk, who also acts as the council's Responsible Financial Officer (RFO). The Clerk had prepared the information advised in advance of the visit, and I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the Clerk and a review of the council website www.edfparishcouncil.org.uk

The council continues to use the Rialtas Business Solutions (RBS) accounting package for recording the day-to-day financial transactions of the council. This is an industry specific accounting package and I make no recommendation to change. The system is used regularly to record transactions and produce management information reports for review at council meetings.

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 qualified, the external auditors comments '*Section 2, Box 4 in the prior year incorrectly includes items which are not staff costs as defined in the Joint Panel on Accountability and Governance Practitioners' Guide. Please note that Box 4 should comprise payments made in relation to the employment of staff including only gross salary, employers' national insurance contributions, employers' pension contributions, gratuities for employees or former employees and severance or terminations payments to employees. Employment expenses which are benefits (mileage, travel, etc.) and items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority are not staff costs for the purpose of completion of the AGAR in accordance with proper practice. The prior year figures in Section 2, Boxes 4 and 6 should read £18,848 and £49,930 (respectively)*.

The external auditors report has been published on the council website, along with the Notice of Conclusion of Audit, and will be reported to council at 4 January 2024 meeting.

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. The council website provides details of the individual councillor's Register of Members' Interests forms.

Confirm that the council is compliant with the relevant transparency code

As the council's income and expenditure exceeds £25,000, it is not a statutory requirement to follow the requirements of the Local Government Transparency Code, although it is recommended best practice to do so. I recommend reviewing the way the information is published on the website of Upper Beeding Parish Council as a best practice example via this link www.upperbeeding-pc.gov.uk/finance-transparency

Confirm that the council is compliant with GDPR

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

The council has a Privacy Notice on the website and Accessibility Statement on the home page of its website needs updated with new clerk details**. I recommend putting a Privacy Notice in place and updating the clerk information before year end audit.**

Confirm that the council meets regularly throughout the year

In addition to full council, the council has a committee for Planning. Terms of reference for the committee are published on the council website, along with future meeting dates and 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.

I remind council it is required to also post any supporting documentation with the agendas as outlined by the Information Commissioner's Office (page 3 of this link) **ico.org.uk/minutesandagendas.pdf**

Check the draft minutes of the last meeting(s) are on the council's website
Draft minutes are uploaded to the council website. It is recommended to state on the website page that all minutes are draft until adopted at the subsequent meeting.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months
The Standing Orders are based on the current NALC model and were most recently reviewed and adopted by council on 18 May 2023 (minute ref C.745).

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 18 May 2023 (minute ref C.746). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

Check that the council's Financial Regulations are being routinely followed
The council has thresholds in place at which authorisations to spend must be obtained as below:

FR 4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by the council. The threshold below which quotes need not be obtained for expenditure within budget and approved by council is £500. 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 7 provision for the expenditure, subject to a limit of £500. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

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

I tested a sample of invoices and found these had been approved in accordance with the thresholds contained within the Financial Regulations, and approval, where needed, recorded in the minutes of meetings.

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

FR 11.1 (g) When it is to enter into a contract, it should apply the requirements set out in the table below. . Table 1 – Recommended Council Procurement Thresholds Value of Contract (excluding VAT) Council Requirement Under £500 2 oral or written estimates by Council. Under £3,000 2 written quotations by Council Under £25,000 3 written quotations by the Contractor or Service provider Over £25,000 See Standing Order 18 c) and must be advertised in Contracts Finder Over EU Thresholds Follow the Public Procurement Regulations 2015

The council is out to tender at the time of interim audit for Grass cutting, I will review this at year end.

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £9.93 per elector
The section 137 thresholds do apply. All S137 expenditure is within the threshold.

Check receipt of VAT refund matches last submitted VAT return
The council submits its VAT return on a quarterly basis. I reviewed the submission for the period ending 30 September 2023 which showed a refund amount due of £2,084.94. I was able to confirm receipt of this amount to the council's bank account on 26 October 2023. The council is up to date with its VAT submissions.

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 risk management policy which was most recently reviewed and approved by council on 7 December 2023, no minutes uploaded yet. 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 with limited risks and demonstrates that the council takes its risk management responsibilities seriously.

I confirmed that the council has a valid insurance policy in place with Ansvar Insurance which expires on 31 May 2024. The policy includes Public Liability and Employers Liability cover of £10 million each and a Fidelity Guarantee of £100,000 which is sufficient for a council of this size. The listed asset cover appears appropriate based on the items recorded on the council's asset register**. I recommend the council increase the Fidelity Guarantee to £150,000-£200,000 as at present the funds being held are over £100,000, the council is not covered by the FCS scheme, so must ensure that the Fidelity Guarantee covers the total amount of funds of the council**.

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 £68,000 for 2023/24. With a tax base of 999.7, this equates to a band D equivalent of £68.02 (compared to the average in England of £79.35).

The Clerk confirmed that the 2024/25 budget setting process has begun with a meeting of the Council in November 2023, and was agreed at the December 2023 council meeting.

The Clerk presents the budget performance information at every other council meeting for review. This shows spend against budget although it is currently missing a 'percentage spend' figure, which may help councillors understand the information more clearly.

At interim audit the council was 109.4% of budgeted income, which would be expected as all the precept has been received. The expenditure is 52.5% of budget.

The council began the year with a balance of £69,864 with £10,789 of this amount earmarked for CIL and election costs. This leaves circa £59,075 as a general reserve.

The Joint Panel on Accountability and Governance (JPAG) Practitioner's guide states *'the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at*

between three and twelve months of net revenue expenditure' (para 5.33). The general reserve balance is within the recommended range.

E. INCOME

Internal audit requirement

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Audit findings

Apart from the precept, the council budgets to receive income from the pavilion and village hall hire, bank interest, and ESCC verge cutting contribution. The council reviewed its fees and charges at the meeting held on March 2024.

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

F. PETTY CASH

Internal audit requirement

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.

Audit findings

The council has no petty cash.

G. PAYROLL

Internal audit requirement

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

Audit findings

The Clerk is the only employee and has a signed contract of employment, based on the NALC template. The salary is aligned to the NJC scale point range.

The council uses processes the payroll inhouse using the HMRC tool, which calculates the PAYE and pension deductions. I reviewed the payslips for November 2023 and the payroll deductions appear correct. The salary payments are authorised and paid by the council in the same way as other payments. I reminded the Clerk that only salary, HMRC and pension payments should be included in box 4 on the Annual Governance and Accountability Return (AGAR) and any other staff costs should be recorded in box 6.

There are no councillor allowances.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The council has a fixed asset register in place which includes details of asset location, date of acquisition, cost or proxy cost, condition, estimated useful life and insurance and replacement values. Assets are correctly listed at cost/proxy cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register.

The council has no Public Works Loan Board (PWLB) loans.

The council has no long-term investments.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation 2.2 states *'. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council .'*

Bank reconciliations are completed monthly and presented to council at every meeting for review. I reviewed the reconciliations presented for the interim audit and was able to confirm the balances to the bank statements and found no errors.

I noted that the reconciliation and bank statement have been signed by the chairman in accordance with the Financial Regulations.

Balances held are not within the £85,000 protection limit offered by the Financial Services Compensation Scheme (FSCS). As noted above the council needs to increase the Fidelity Guarantee on the insurance policy to cover the funds of the 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

Testing to be conducted at final audit.

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

Testing to be conducted at final audit.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority has demonstrated that during summer 2022 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2022/23 Actual
Date AGAR signed by council	1 June 2023
Date inspection notice issued	10 June 2023
Inspection period begins	12 June 2023
Inspection period ends	21 July 2023
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 2022/23, 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 2023 authorities must publish:

- *Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited*
- *Section 1 - Annual Governance Statement 2022/23, approved and signed, page 4*
- *Section 2 - Accounting Statements 2022/23, approved and signed, page 5*

Not later than 30 September 2023 authorities must publish:

- *Notice of conclusion of audit*
- *Section 3 - External Auditor Report and Certificate*
- *Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.*

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings

I was able to confirm that the Notice of Public Rights is published on the council website along with the Notice of Conclusion of audit and External Auditor Report and I was able to confirm that the publication requirements for 2022/23 have been met.

O. TRUSTEESHIP

Internal audit requirement

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

Audit findings

The council has no trusts.

Achievement of control assertions at 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. *(If the authority had a limited assurance review of its 2022/23 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 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

M. Webber

Michelle Webber
For Mulberry & Co

Interim Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	I recommend putting a Privacy Notice in place and updating the clerk information before year end audit.	
RISK MANAGEMENT AND INSURANCE	I recommend the council increase the Fidelity Guarantee to £150,000-£200,000 as at present the funds being held are over £100,000, the council is not covered by the FCS scheme, so must ensure that the Fidelity Guarantee covers the total amount of funds of the council	