



## MULBERRY & CO

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Our Ref: MARK/COM001

Ms J Cadman  
Compton Parish Council  
Rumbeams Cottage  
Ewhurst Green  
Cranleigh  
Surrey  
GU6 7RR

11<sup>th</sup> December 2023

Dear Joanna

**Re: Compton Parish Council  
Internal Audit Year Ended 31 March 2024 – Interim Audit Report.**

### **Executive summary**

Following completion of our interim internal audit on 11<sup>th</sup> 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.**

The interim audit was conducted remotely. The clerk had prepared the information advised in advance of the audit, and I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the clerk and a review of the council website <https://www.comptonparishcouncil.co.uk/>

Our sample testing did not uncover any errors or misstatements that are required to be reported 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.

The councillors, clerk and assistant clerk appear to be informed and council taking measured decisions using the reports and financial information provided by the clerk and assistant clerk. It is therefore clear the council takes governance, policies and procedures seriously and I am therefore pleased to report that overall, the systems and procedures you have in place are fit for purpose and for a council of this size a model of good practice.

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 our opinion that the systems and internal procedures at Compton Parish Council are fit for purpose and more importantly followed by councillors.**

### **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.
- No 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 Rialtas for recording the day-to-day financial transactions of the council. The Realtas package is used regularly to record transactions and produce management information reports for review at council and committee meetings. There is one user, the clerk.

The financial records are stored in a lever arch file along with supplier invoices and bank statements. Supplier invoices are also scanned for committee use.

I reviewed the cashbook. The system is populated with sufficient narrative, such that a casual reader can garner an understating of the nature and scope of the transaction and the underlying documentation was easy to locate. I make no recommendation to change.

I tested the opening balances as at 1/4/23 by reviewing the balance brought forward on the cashbooks and the audited accounts for 2022/23. There were no errors.

The Council is not VAT registered and the last VAT reclaim was for the quarter ended 30<sup>th</sup> June 2023, which showed a refund position of £278.04. This was received on the 19<sup>th</sup> September as evidenced to the bank statements provided.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change. I believe 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 & minuting of the prior year audited AGAR and notice of conclusion of audit.*

External auditors report was not qualified in 2022/23. This is correctly published on the council website along with the notice of conclusion. There is also evidence of the internal audit report being taken to council and discussed.

*Confirm by sample testing that councillors sign statutory office forms.*

I confirmed in previous audits by sample testing that Councillors sign Acceptance of Office forms, and declaration of interest in accordance with current regulations.

*Confirm that the Council is compliant with the GDPR.*

The council is fully aware of GDPR and accessibility regulations. 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.*

*Confirm that the Council meets regularly throughout the year.*

Full council meets roughly monthly.

*Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £9.93 (2023: £8.82) per elector.*

The council does not have the General Power of Competence (GPC). S137 expenditure is within thresholds.

*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. The agenda background information is provided in easily downloadable links.

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

Minutes are uploaded to the council website and these are accessible.

*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 and readopted in the full council meeting in May 2023. Minute ref 063/23.

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

Financial regulations are based on the NALC model. These were reviewed and readopted in the full council in May 2023. Minute ref 063/23.

The regulations being based on the NALC model 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.*

3.1 *Expenditure on revenue items may be incurred up to the amounts included for that class of expenditure in the approved budget.*

3.2 *No expenditure may be incurred that will exceed the amount provided in the revenue budget for that class of expenditure. 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.*

3.3 *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.*

3.4 *The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £200. The Clerk shall report the action to the Council as soon as practicable thereafter. The Chairman, or Vice Chairman of the Council may each incur expenditure of up to £250 in any one month. Committees of the Council may incur expenditure provided that it is within their budget and approved by the RFO. The authorisation amounts referred to in the clause may be reviewed by the Council from time to time.*

*11.1.i When it is to enter into a contract less than £50,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.*

From a review of the minutes and the nominal ledger together with a review of the cashbook it is clear the council has very few high value transactions. Indeed, the highest value transactions were that of two grants issued during the year. The majority of the council's expenditure is that of regular wages and contracts.

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

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

I am of the opinion the council is following its own regulations and that any changes to financial regulations are to be considered minor and not indicative of errors in the system. I am therefore of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for", has been met.

## 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 assessment documents, 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 remind council that per financial regulation 16.1 this document must be updated at least annually.**

I confirmed that the council has a valid insurance policy in place with Zurich with the annual renewal date of March 2024. The council has public liability of £10,000,000 and fidelity guarantee of £400,000. The asset and money cover appear adequate for a council of this size.

## 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**

On the 7<sup>th</sup> of December minute ref 128/22 council set a precept of £26,863

The draft 2024/25 budget is in progress and has been presented to committee – deadlines are achievable.

The council receives regular information regarding actual versus budget and outturn. Council set a breakeven budget for 2023/24 which is currently showing as under budget; however, this is to be expected at month 7.

The council holds c. £54k in earmarked reserves (EMR), spread across a range of clearly identifiable projects. This has not changed since the year end. The council also holds c. £30k in the 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 not within the recommended range and is high for a council of this size. I calculate the net revenue expenditure to be circa £15k per annum. I remind council it does not have the power to accumulate funds and must**

**look to make good on its expenditure pledges and also reduce the level of its general reserve.**

## **E. INCOME**

### **Internal audit requirement**

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

### **Audit findings**

The council has three or four streams of income, precept, VAT refund, grants, interest and burials. The precept has been received in full and can be verified to the cashbooks and physical bank statements.

I also reviewed the cashbook for evidence of netting off and to ensure, the individual entries were in accordance with the heading under which they were posted and corrections/transfers where evident were bonafide. We found no evidence of breaches of financial regulations in the sample testing completed.

The council is not VAT registered and there is no indication that it should be.

## **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 does not have any 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. I was able to verify that the salary is not aligned to the NJC scale point range.

The council processing payroll in house, using a computer package. I reviewed the payslip for September 2023 and the payroll deductions appear correct. The salary payments are authorised and paid by the council in the same way as other payments.

There are no councillor allowances.

The council has fulfilled its obligations in respect of auto-enrolment.

I tested the tax deduction and pay scales there were no errors. I am of the opinion salaries are correctly calculated and paid.

All council employees are paid through the payroll for all council work undertaken. No employees are paid separately for any other council work undertaken.

## H. ASSETS AND INVESTMENTS

### **Internal audit requirement**

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

### **Audit findings**

The council has a simple excel/word fixed asset register in place, broken down into sections containing land and buildings, street furniture, equipment, etc. This simple form of recording is entirely appropriate for a council of this size. However, per financial regulations 14.3, the council should be updating the register with details of an annual inspection of assets.

*FR 14.3 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.*

**I recommend this regulation is reviewed and the asset register updated appropriately over the course of the next council year.**

The council has no PWLB borrowing these were tested against the PWLB public information at the year end.

## I. BANK AND CASH

### **Internal audit requirement**

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

### **Audit findings**

Bank reconciliations are completed on a regular basis, independently checked, and presented to council meetings for review. I reviewed the reconciliations for August September and October 2023 presented for the interim audit. I was able to confirm the balances to the bank statements and found no errors.

I reviewed the minutes for the period from April to September 2023, and noted that bank reconciliations were in evidence on the agenda, as backup documentation and were appropriately minuted.

I am under no doubt that bank reconciliation are being properly carried out in accordance with regulations.

As the council's budget does not exceed €500,000, it benefits from protection from the Financial Services Compensation Scheme (FSCS).



**J. YEAR END ACCOUNTS****Internal audit requirement**

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

**Audit findings****Section 1 – Annual Governance Statement**

	<b>Annual Governance Statement</b>	<i>'Yes', means that this authority</i>	<b>Suggested response based on evidence</b>
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>	<b>YES</b> – 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>	<b>YES</b> – 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>	<b>YES</b> – council follows regulations.
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>	<b>YES</b> - the requirements and timescales for 2022/23 year-end were met
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>	<b>YES</b> – 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>	<b>YES</b> – 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>	<b>YES</b> – 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>	<b>YES</b> – 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>	<b>N/A</b>

	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	48,688	63,805	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	26,873	26,873	Figure confirmed to central records
3	Total other receipts	21,236	29,122	Agrees to underlying records
4	Staff costs	9,405	9,511	Agrees to underlying records
5	Loan interest/capital repayments	0	0	Verified against PWLB records
6	All other payments	23,587	25,599	Agrees to underlying records
7	Balances carried forward	63,805	84,690	Cast correctly and agrees to balance sheet

8	Total value of cash and short-term investments	63,431	84,151	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	1,576,807	1,576,807	Matches asset register - 2022 restated To remove insurance values and replace with £1
10	Total borrowings	0	0	Verified against PWLB records

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

The year-end accounts have been correctly prepared on an income and expenditure basis with a box 7 and 8 reconciliation.

The AGAR correctly casts and cross casts and last year's comparatives match the figures submitted for 2021/22.

#### **K. LIMITED ASSURANCE REVIEW**

##### **Internal audit requirement**

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

##### **Audit findings**

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

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

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

**Audit findings**

The council does not have has income and expenditure in excess of £200,000 and as such is not required to follow the “Local Government Transparency Code 2015” which is recommended practice not a statutory requirement.

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

Expenditure exceeding £500
Government Procurement Card transactions
Procurement information

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

Local Authority Land
Social Housing Assets
Grants to voluntary, community and social enterprise organisations
Organisational Chart
Trade union facility time
Parking account
Parking spaces
Senior salaries
Constitution
Pay multiple
Fraud

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.

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

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

**Audit findings**

Inspection – key dates	2022/23 Actual
Date AGAR signed by council	14 <sup>th</sup> June 2023
Date inspection notice issued	15 June 2023
Inspection period begins	19 June 2023
Inspection period ends	28 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 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. This test does not apply.

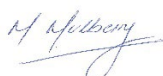
**Achievement of control assertions at interim audit date**

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.

	<b>INTERNAL CONTROL OBJECTIVE</b>	<b>YES</b>	<b>NO</b>	<b>NOT COVERED</b>
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 2024 – audit points

<b>Fixed assets</b>	<p>Per regulation, 14.3 the asset register should contain information regarding inspection of assets.</p> <p>I recommend this regulation is reviewed and the asset register updated appropriately over the course of the next council year.</p>	
<b>Reserves</b>	<p>The general reserve balance is not within the recommended range and is high for a council of this size. I calculate the net revenue expenditure to be circa £15k per annum. I remind council it does not have the power to accumulate funds and must look to make good on its expenditure pledges and also reduce the level of its general reserve.</p>	
<b>Risk</b>	<p>The council has a risk assessment documents, 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. <b>I remind council that per financial regulation 16.1 this document must be updated at least annually.</b></p>	