



## MULBERRY & CO

Chartered Certified Accountants  
Registered Auditors  
& Chartered Tax Advisors

9 Pound Lane  
Godalming  
Surrey, GU7 1BX

t + 44(0)1483 423054  
e office@mulberryandco.co.uk  
w www.mulberryandco.co.uk

Our Ref: MARK/HOL003

Mrs J Russell  
Holmwood Parish Council  
27 Chandler Way  
Dorking  
Surrey  
RH5 4GA

5 May 2022

Dear Jan

**Re: Holmwood Parish Council**  
**Internal Audit Year Ended 31 March 2022**

### **Executive summary**

Following completion of our internal audit on 5 May 2022, 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. **Testing requirements are shown in red** and where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

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, followed by recommended minimum testing requirements. Each section is then concluded with an opinion as to whether the assertion has been met or not.

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor, 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 very 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 Holmwood 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 Andy Beams 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 12 years specialising in local government.

### Engagement Letter

An engagement letter was issued to the council covering the 2021/22 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.

- There have been no 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

At the audit date, it is my 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.*

**Recommended minimum testing:**

- Ensure the correct roll forward of the prior year cashbook balances to the new financial year
- Check a sample of financial transactions in cashbooks to bank statements, etc.: the sample size dependent on the size of the authority and nature of accounting records maintained

**Audit findings**

The council continues to use Excel as a day-to-day accounting package. The system is used regularly to report on and record the financial transactions of the council and is suitable for a council of this size with a limited number of transactions.

The audit was conducted on site. The Clerk prepared the requested information for review, and other testing was done through a review of the council website and discussing matters with the Clerk.

My audit testing showed that the documents were well organised, clear and easy to follow. A review of meeting agendas show sufficient financial information is provided at meetings to support council decisions. I make no recommendation to change this system.

The council is not VAT registered and reclaims annually via a 216-claim form. The reclaim for the financial year under review shows a refund amount due of £3,649.30. This is higher than in previous years due to some new playground equipment (VAT element £2,845.45).

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change.

**Section conclusion**

I am of the opinion that the control assertion of "Appropriate accounting records have been properly kept throughout the financial year" has been met.

**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.*

**Recommended minimum testing:**

- Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the Standing Orders and Financial Regulations which should be based on the latest version.
- Ensure that consistent values are in place for the acquisition of formal tenders between Standing Orders and Financial Regulations (frequently different limits are recorded in the two documents)
- Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation
- Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments
- Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements
- Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place

**Audit findings***Check the publication and minuting of the prior year audited AGAR and notice of conclusion of audit.*

The council declared itself exempt from external audit in 2020/21 and therefore received no notice of conclusion of audit.

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

I confirmed by sample testing that councillors sign "Acceptance of Office" forms and the web site shows the Register of Disclosable Pecuniary Interests for each councillor. Councillors also sign a form to confirm they are happy to receive electronic communications from the council.

*Confirm that the council is compliant with GDPR.*

It was noted the council has not established separate 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.

I was unable to locate a Privacy Notice on the council website and the Clerk noted this and will ensure one is added.

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

The council meets regularly during the year and a schedule of meetings is published on the council website, along with historic agendas and minutes.

*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.

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

Minutes are routinely uploaded to the council website.

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

The Standing Orders are based on the most recent NALC model and were adopted by council at the November 2021 meeting. This action is recorded in the minutes and the Standing Orders are published on the council website.

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

The Financial Regulations are based on the current NALC model version, although they are not published on the council website, and I encourage the council to publish them to ensure full transparency.

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

The thresholds for authorisation of payment is as below:

- the council for all items, or
- the RFO, in conjunction with Chairman of Council, for any items below £500.

The Clerk also has delegated authority to make a payment up to £500 in the case of extreme risk to council services. These limits appear suitable for a council of this size.

There is evidence within council minutes of regular financial updates, including review of a financial statement, bank reconciliations and approval of payments.

*Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £8.32 per elector.*

The council has adopted the General Power of Competence (GPC) and the threshold does not apply.

*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.

**Section conclusion**

I am 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.*

**Recommended minimum testing:**

- Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc
- Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers’ and hirers’ (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security
- Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation

**Audit findings**

The council has a simple risk assessment register in place which is sufficient for a council of this size. This outlines the identified risks, the likelihood and impact and the actions in place to mitigate the risks. This was last reviewed by council in January 2022.

The council has a valid insurance policy in place with Zurich which is due to expire on 31 May 2022, although the Clerk confirmed arrangements have been made to continue with the same provider for a further year. The policy includes Public Liability and Employers Liability cover of £10 million each, and a Fidelity Guarantee level of £250,000. These levels are appropriate for a council of this size.

We discussed assertion 8 of the AGAR and whether or not this had any impact on the council.

*“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.”*

The Clerk confirmed that she was not aware of any such liability at the year end.

**Section conclusion**

I am of the opinion that the control objective of “This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these” has been met.

**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.*

**Recommended minimum testing:**

- Ensure that the full authority, not a committee, has considered, approved and adopted the annual precept in accordance with the required parent authority timetable
- Ensure that budget reports are prepared and submitted to authority / committees periodically during the year with appropriate commentary on any significant variances
- Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances
- Ensure that the authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process

- Ensure that the precept in the accounts matches the submission form to the relevant authority and the public record of precepted amounts

### Audit findings

I confirmed that the 2022-23 budget and precept setting process was completed and approved by council at its meeting held in January 2022.

There is evidence of regular reviews of the council's financial position within minutes of meetings, and councillors have sufficient information to be kept informed of the council's overall financial situation.

At the year-end, the council holds circa £17,000 in total funds, The Clerk informed me that another circa £5,000 is due for the playground equipment, and that would leave circa £12,000 in the general reserve.

Council is reminded that general guidance recommends a general reserve level of around 50% of precept, as adjusted for local conditions. For a smaller council, retaining up to the precept level as a general reserve is not unreasonable, but I recommend the council keeps the level under review.

### Section conclusion

I am of the opinion that the control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate" has been met.

## 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.*

### Recommended minimum testing:

- Review "aged debtor" listings to ensure appropriate follow up action is in place
- Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.
- Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)
- Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised
- Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time
- Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income
- Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked

### Audit findings

Apart from the precept, the council has minimal income. During the year under review, other income sources were a playground grant from Surrey County Council, concurrent grants from Mole Valley District Council and VAT refunds.

The precept amount was independently verified and is accurately recorded in box 2 of the AGAR.

### Section conclusion

I am of the opinion that the control objective of "Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for" has been met.

**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.*

**Recommended minimum testing:**

- A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a “not applicable” response is frequently required in this area.
- Review the systems in place for controlling any petty cash and cash floats (used for bar, catering, etc.)
- Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held
- Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held
- Ensure that VAT is identified wherever incurred and appropriate
- Physically check the petty cash and other cash floats held
- Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till “Z” total readings

**Audit findings**

The council has no petty cash.

**Section conclusion**

I am of the opinion the control objective of “Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for” is not applicable as 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.*

**Recommended minimum testing:**

- Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract
- Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability
- Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and with the contracted hours
- Ensure that appropriate tax codes are being applied to each employee
- Where free or paid for software is used, ensure that it is up to date.
- For the test sample of employees, ensure that tax is calculated appropriately
- Check the correct treatment of pension contributions to either the Local Government pension scheme (non - taxable, deducted from the gross salary or DC schemes like NEST which already allow for tax deductions)
- For NI, ensure that the correct deduction and employer’s contributions are applied: NB. The employers’ allowance is not available to councils but may be used by other authorities
- Ensure that the correct employers’ pension percentage contribution is being applied
- Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies

**Audit findings**

Payroll is managed by an external third-party. They calculate who calculate the PAYE and NI contributions on behalf of the council. The payments are then managed by the council in the same way as all other expenditure.

There are no councillor allowances.

**Section conclusion**

I am of the opinion that salaries are correctly stated on the AGAR and that the control object of "Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied" has been met.

**H. ASSETS AND INVESTMENTS****Internal audit requirement**

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

**Recommended minimum testing:**Tangible fixed assets

- Ensure that the authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets
- Physically verifying the existence and condition of high value, high risk assets may be appropriate
- Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement
- Additions and disposals records should allow tracking from the prior year to the current
- Ensure that the asset value to be reported in the AGAR at Section 2, Box 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and /or disposals
- Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the authority

Fixed asset investments

- Ensure that all long-term investments (i.e., those for more than 12-month terms) are covered by the "Investment Strategy" and reported as Assets in the AGAR at Section 2, Box 9.

Borrowing and lending

- Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired
- Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt
- Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at Section 2 Box 5
- Ensure that the outstanding loan liability as of 31st March each year is correctly recorded in the AGAR at Section 2, Box 10 (value should be verified via the DMO website)
- Where the authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt

**Audit findings**

The council has a simple asset register in place in a tabular format. The information recorded includes asset description and location, date of acquisition, useful life estimate and original cost.

The asset register total matches the figure entered into box 9 on the AGAR. The new play equipment purchased during the year will be added once installed.

I confirmed the council has no PWLB borrowing.



**Section conclusion**

I am of the opinion that the control objective of “Asset and investments registers were complete and accurate and properly maintained” has been met.

**I. BANK AND CASH****Internal audit requirement**

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

**Recommended minimum testing:**

- Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members
- Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, Section 2, Box 8
- Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy

**Audit findings**

At the year-end, the council had a reconciled position on its bank accounts, and I was able to verify the balance as of 31 March against the bank statement. There was one unreconciled entry for £203 at the year-end.

The balances held by the council remain within the protection limit of the Financial Services Compensation Scheme (FSCS).

There is evidence within the minutes of meetings of regular reporting of the council’s financial position and presentation of bank reconciliations for review.

**Section conclusion**

I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of “Periodic and year-end bank account reconciliations were properly carried out” has been met.

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

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

**Recommended minimum testing:**

- Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein
- Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end

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

	<b>Annual Governance Statement</b>	<i>‘Yes’ means that this authority</i>	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	<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> – 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>	<b>YES</b> – the requirements and timescales for 2020/21 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>	<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.
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> – there is evidence of taking action based on the findings of the internal audit reports
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 responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>N/A</b> – the council has no trusts

## Section 2 – Accounting Statements

At the time of the year-end audit, the AGAR figures presented for checking were as below:

AGAR Box Number		2020/21	2021/22	Auditor Notes
1	Balances brought forward	14,414	21,424	Correctly carried over from box 7 2020/21
2	Precept or rates and levies	12,500	12,500	Confirmed against precept amount received
3	Total other receipts	4,520	11,216	Confirmed against accounting records
4	Staff costs	3,582	4,197	Confirmed against accounting records
5	Loan interest/capital repayments	0	0	Council has no borrowing
6	All other payments	6,428	23,901	Confirmed against accounting records
7	Balances carried forward	21,424	17,043	Total correctly equals (1+2+3) – (4+5+6)
8	Total value of cash and short-term investments	21,424	17,043	Confirmed against accounting records and account balances
9	Total fixed assets plus long-term investments and assets	32,844	32,844	Confirmed to asset register
10	Total borrowings	0	0	Council has no borrowing
11	Disclosure note re Trust Funds (including charitable)	<b>YES</b>	<b>NO</b>	n/a – the council has no trusts.

The year-end accounts have been correctly prepared on receipts and payments basis, with no requirement for the box 7 and 8 reconciliation.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2020/21 AGAR.

The Clerk is aware that she need to complete the variance analysis for boxes 3, 4 and 6.

### Section conclusion

I am of the opinion that the control assertion “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” has been met.

## 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”)*

### Recommended minimum testing:

- The correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline
- That it has been published, together with all required information on the Authority’s website and noticeboard

**Audit findings**

The council correctly declared itself exempt for the 2020/21 financial year as its income and expenditure were below the £25,000 threshold.

For the 2021/22 financial year, the council's expenditure exceeds £25,000 and the Clerk has correctly completed form 3 for submission this year as the council is not exempt.

**Section conclusion**

I am of the opinion that the control assertion of "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" has been met.

**L: TRANSPARENCY (INTERIM AUDIT)****Internal audit requirement**

*If the authority has an annual turnover not exceeding £25,000, it publishes information on a website / webpage up to date at the time of the internal audit in accordance with the Transparency Code for Smaller Authorities*

**Recommended minimum testing:**

- This test applies only to those councils covered by the £25,000 External Audit exemption
- Internal auditors should review the authority's website ensuring that all required documentation is published in accordance with the Transparency Code for Smaller Authorities

**Audit findings**

The council has an annual turnover exceeding £25,000 for the financial year under review, and this test does not apply.

**Section conclusion**

I am of the opinion that the control assertion of "If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/ webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities" is not applicable due to the council turnover exceeding £25,000.

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

*The authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.*

**Recommended minimum testing:**

- Internal auditors should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the authority's records are available for public inspection.
- Internal auditors may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

**Audit findings**

Inspection – key dates	2020/21 Actual	2022/23 Proposed
Date inspection notice issued	18 June 2021	10 June 2022
Inspection period begins	25 June 2021	13 June 2022
Inspection period ends	6 August 2021	22 July 2022
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	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.

#### Section conclusion

I am of the opinion that the control assertion “the authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations” has NOT been met.

### N: PUBLICATION REQUIREMENTS

#### Internal audit requirement

The authority has complied with the publication requirements for 2020/21. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

#### Recommended minimum testing:

- Internal auditors should acquire / examine a copy of the required “Public Notice” ensuring that it clearly identifies the statutory 30 working day period when the authority’s records are available for public inspection.
- Internal auditors may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

Before 1 July 2021 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 2020/21, approved and signed, page 4
- Section 2 - Accounting Statements 2020/21, approved and signed, page 5

Not later than 30 September 2021 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

The council met the publishing requirements for the previous audit year.

#### Section conclusion

I am of the opinion that the control assertion of “the authority has complied with the publication requirements for 2020/21 AGAR. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage” has been met.

### O. TRUSTEESHIP (INTERIM AUDIT)

#### Internal audit requirement

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

#### Recommended minimum testing:

- Confirm that all charities of which the council is a Trustee are up to date with Charity Commission filing requirements
- that the council is the sole trustee on the Charity Commission register
- that the council is acting in accordance with the Trust deed
- that the charity meetings and accounts are recorded separately from those of the council
- review the level and activity of the charity and where a risk-based approach suggests such, review the Independent Examiner’s report

**Audit findings**

The council has no trusts.

**Section conclusion**

I am of the opinion that the control assertion of "Trust funds (including charitable) – The council met its responsibilities as a trustee" is not applicable as the council has no trusts.

Should you have any queries please do not hesitate to contact me.

Yours sincerely



**Andy Beams**

**For Mulberry & Co**