



## MULBERRY & CO

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Our Ref: MARK/LOW002

Mrs S Bendix  
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Hamilton House  
Battery Green Road  
Lowestoft  
Suffolk  
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27 January 2023

Dear Shona

**Re: Lowestoft Town Council**  
**Internal Audit Year Ended 31 March 2023 – Interim Audit report**

### **Executive summary**

Following completion of our interim internal audit on 29 January 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 Lowestoft Town Council are well established and followed.

### **Regulation**

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit's function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily. The internal audit reports should therefore be made available to all Members to support and inform them when they considering the authority's approval of the annual governance statement.

### Independence and competence

Your audit was conducted by 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 previously issued to the council covering the 2022/23 internal audit assignment. Copies of this document are available on request.

### Planning and inherent risk assessment

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

- There have been no reported instances of breaches of regulations in the past
- The client uses an industry approved financial reporting package
- The client regularly carries out reconciliations and documents these
- There is regular reporting to council
- The management team are experienced and informed
- Records are neatly maintained and referenced
- The client is aware of current regulations and practices
- There has been no instance of high staff turnover

It is our opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be "walk through testing" on sample data to encompass the period of the council year under review.

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## A. BOOKS OF ACCOUNT

### **Internal audit requirement**

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

### **Audit findings**

The council was formed in April 2017 following a local Governance Review. In terms of precept for 2022-23, it ranks within the top 20 in the country (16<sup>th</sup>) and within the top 50 for the size of tax base (35<sup>th</sup>). The council continues to deal with some legacy issues from its formation, while also focussing on providing appropriate services and facilities for its residents.

The interim audit was conducted on site with the Clerk, who also acts as the council's Responsible Financial Officer (RFO), with additional questions and queries answered by other members of her team. The information requested in advance of the visit was available for review and I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the Clerk and her team and a review of the council website [www.lowestofttowncouncil.gov.uk](http://www.lowestofttowncouncil.gov.uk)

The team members I interacted with during my visit all displayed in depth levels of knowledge in relation to their areas of the business, and I would like to thank them for their assistance.

Overall, I have the impression the staffing structure is well led and operates effectively and efficiently, with plans in place to expand further as changes are made to the grounds management contracts next year. There is a clear culture of striving to achieve and planning ahead to prepare for future changes.

I briefly met the Chair of Council and Chair of the Finance & Governance Committee during my visit, and I was able to convey my overall impression that the council operates effectively under strong leadership.

The council uses the Rialtas Business Solutions (RBS) accounting package, including the purchase and sales ledgers. This is an industry specific accounting package and I make no recommendation to change. There are three users, each with individual logins to the system. The system is used regularly to record transactions and produce management information reports for review at council and committee 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 2021/22 was not qualified. This was reported to council at the Finance & Governance meeting held on 26 September 2022 and again to the Full Council meeting in October 2022. The External Auditor's Certificate was published as part of the background papers for the Finance & Governance Committee meeting and evidence was provided of the publication of the 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. The council website provides details of each councillor, with a short bio and their contact details, and a link taking you to the principal authority page where the Register of Members' Interests are published.

I note that there are 20 councillors listed on the Town Council website, which is the stated number in the information published about the council, but 23 Register of Members' Interest forms published on the principal council website. The Clerk was able to clarify that the additional three Register of Members' Interest Forms are for non-councillor members of committees.

*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 note that the council published most of the information required by the Code, either within supporting documents accompanying agendas, or elsewhere on the council website. I recommend reviewing the way the information is published on the website of Salisbury City Council as a best practice example via this link [www.salisburycitycouncil.gov.uk/your-council/transparency-code](http://www.salisburycitycouncil.gov.uk/your-council/transparency-code)

*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, and the Clerk was able to confirm that these are used for council business. This is recommended because it gives a natural segregation between work and personal lives, making it clear beyond doubt in what capacity a councillor is acting. In addition to this it gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

The council has a Privacy Notice and Accessibility Statement on its website, and it is clear the council has made every effort to comply with the website requirements.

*Confirm that the council meets regularly throughout the year*

In addition to full council, the council has committees for:

- Climate and Ecological Emergency
- Community Safety
- Finance and Governance
- Personnel
- Planning

There are also sub-committees for:

- Allotments
- Budget and Loan
- Events and Communications
- Parks and Open Spaces
- Standing Orders and Policies

There are also working groups for:

- Denes Oval
- Neighbourhood Plan
- Norse Contract
- Toilet Strategy
- Triangle Market

Terms of reference for each committee and sub-committee are published on the council website, along with historic agendas and minutes. There is a published diary of future meeting dates available on the website.

I checked the website in advance of my visit and was able to easily locate agendas for all meetings. The council has determined the following within its Standing Orders (see comments in *Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months'* section below.

Standing Order 3b states *'The minimum five clear days for notice of a meeting does not include the day on which notice was issued, the day of the meeting, a Sunday, a day of the Christmas break, a day of the Easter break or of a bank holiday or a day appointed for public thanksgiving or mourning.'* [applies to council meetings]

Standing Order 3c states *'The minimum five clear days' public notice for a meeting does not include the day on which the notice was issued or the day of the meeting unless the meeting is convened at shorter notice.'* [applies to committee meetings]

Checking of agendas found no examples of failure to provide the required notice period, and I note that the council published comprehensive non-confidential supporting papers alongside the agendas in accordance with the requirements of the Information Commissioner's Office (ICO).

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

Minutes are routinely posted to the council's website, and I was able to confirm the most recent were available for council and committee meetings.

*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. There is evidence that these are regularly reviewed for suitability and to reflect changing regulatory and statutory requirements, with the most recent review taking place in May 2022.

I note that the council has altered the NALC model, and in particular Standing Orders 3 and 15 with reference to the required notice for agendas. **While the council can determine its own notice period (providing it is no less than the statutory requirement) it has retained these changes in bold type, indicating that they remain a statutory requirement which is incorrect.**

The addition of the extra two clear days (statutory requirement is three clear working days) is potentially restrictive on the council, as it must now meet this requirement. **The council may wish to consider amending the Standing Orders to reflect the statutory three clear working days, while continuing with the convention of providing the agenda earlier whenever possible.**

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

Financial Regulations are based on the current NALC model. There is evidence that these are regularly reviewed for suitability and to reflect changing regulatory and statutory requirements, with the most recent review taking place in November 2022. 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 for all items over £10,000;*
- a duly delegated committee of the council for items over £5,000, unless specifically delegated a higher commitment within a set budget; or*
- The Clerk, individually or in conjunction with Chair of Council or Chair of the appropriate committee for any items below £5,000, unless specifically delegated a higher commitment within a set budget.*

*Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary by the appropriate Chair.*

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

*FR 4.4. In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £25,000. The Clerk shall report such action to the Chair as soon as possible and to the council as soon as practicable thereafter.*

The Clerk confirmed that the council has made arrangements to delegate virtually all expenditure to the Clerk providing expenditure is within budget and these authorisation thresholds appear appropriate.

I checked a sample of invoices during the interim audit. These were neatly filed, signed by councillors in accordance with the Financial Regulations, and the Finance & Information Officer was able to quickly find the relating data entry on the accounting software package.

The council has in place sufficient staff members and councillors to fulfil the dual authentication requirements for making payments.

*Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £8.82 per elector.*  
The council has adopted the General Power of Competence (GPC) and the thresholds do not apply.

*Check receipt of VAT refund matches last submitted VAT return.*

The council submits its VAT return on a quarterly basis. I reviewed the submission for the period ending 30 September 2022 which shows a refund amount due of £110,151.61. I was able to confirm receipt of this amount to the council's bank account on 21 November 2022.

*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 Assessment and Management Policy in place which was most recently reviewed and approved by council in May 2022 and is published on the council website. The website also contains a Financial Risk Assessment, which is completed annually.

I reviewed the policy and the risk assessment record during my visit. The risk assessment includes a breakdown of identified risks by category, gives an impact and likelihood rating to establish an overall risk rating, lists mitigation controls in place and any additional controls required, places a timeframe on each element and assigns responsibility to a staff member. The assessment includes control measures for all the risks typically associated with a council of this size.

To further support the risk management practices of the council, there is an Internal Control Statement which is completed annually and signed off by council, which provides detailed evidence of the risk management measures and tests conducted during the year.

This all provided evidence that the council takes its risk management responsibilities seriously and has put in place measures to ensure it meets its obligations.

I confirmed that the council has a valid insurance policy in place with Zurich in a long-term agreement which expires on 1 April 2024. The council has recently undertaken a renewal exercise, and as part of this process had its significant assets revalued.

The policy includes Public Liability cover of £15 million, Employers Liability cover of £10 million and a Fidelity Guarantee cover level of £5 million. There is a strong understanding of the importance of the Fidelity Guarantee, and the Clerk is aware of the need to keep the cover level under constant review to reflect any changes in the financial holdings 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 £1,867,228 for 2022/23. With a tax base of 12,733.9, this equates to a band D equivalent of £146.63 (compared to the average in England of £74.81).

The Clerk confirmed that the 2023/24 budget setting and precept process has been completed. This was preceded by a range of meetings discussing the council's financial position, with the final approval obtained at an Extraordinary Council meeting held on 16 January 2023.

A review of the minutes of committee and council meetings demonstrates that regular reviews of financial information are completed. There are detailed background papers provided, and scrutiny of information is evidenced within the minutes. Financial information provided includes payment lists, reporting of income and expenditure against budget and the independent verification of bank reconciliations.

I am under no doubt that councillors are provided with sufficient financial information to make informed decisions.

The council holds circa £1.8 million in total reserves. These are split across a range of earmarked reserves (EMR) which include ring-fenced amounts held as capital receipts and Community Infrastructure Levy (CIL) funds.

Council is reminded that EMRS are intended for future planned projects of the council, rather than for normal revenue expenditure, and through discussion with the Clerk, I was able to confirm these are all for legitimate planned future projects of the council.

The council has an adopted Reserves Policy, which was most recently reviewed in May 2022. Within the policy, the stated aims include *'3.7 The level of general reserves is a matter of professional judgement and so this policy does not attempt to prescribe that a specific level will always be appropriate for this Council. Based on its circumstances, the Council aimed within its initial year of operation to achieve three months' worth of precept. The policy from thereon, is to achieve 4 months' worth of precept for any given year. There is recognition of the difficulty in achieving this within the first 5 years of operation given the number of unforeseen costs that have already arisen and are likely to arise, owing to the way in which the Council was set up by the District Council. After the first year of operation, there remain significant gaps in information about the assets and services which have been transferred on 1 April 2017 by unilateral decision of the District Council. See 6.1 for further details.'*

*'6.1 With this in mind, the Council will budget to reach the interim General Reserves target of £666,667 (equivalent of 4 months' precept assuming a notional precept of £2,000,000) within a maximum of 3 years i.e., by 2024/25, and the ultimate General Reserves target of £1,000,000 (equivalent of 6 months' precept assuming a notional precept of £2,000,000) within a maximum of 7 years i.e., by 2028/29.'*

The council's current projection for the year-end general reserve balance is circa £254,000.

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 currently below this recommended range, although the council does hold significant other EMR balances in the case of urgent need.

The Clerk informed me that the Reserves Policy is due for review at the next meeting, and while the council is committed to the aspirational figures projected for the general reserves (which are consistent with the JPAG guidance), a re-evaluation of the target dates may be appropriate to better reflect the council's financial position in relation to the other issues it is dealing with.

**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 receives income from grants, its tenants of its properties, the allotment association who manage the fourteen allotment sites for the council, a small income from the cemetery, and bank interest and VAT refunds.

From a review of the accounting records, income appears to be correctly recorded and allocated appropriately, with no evidence of any 'off-setting' of income against expenditure.

The council uses the ledger function within the accounting package, and this shows that there are strong controls in place in relation to any outstanding amounts due to the council. The Clerk confirmed that the council follows the correct processes to retrieve any outstanding figures.

Reviews are conducted on legacy tenant arrangements on an individual basis at present, although the intention is to standardise future dates for reviews and ensure that the completion of these reviews is included within the minutes of the appropriate meeting.

**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**

There are currently eleven staff members, although this is likely to increase with the pending change to the grounds maintenance arrangements. All staff have a signed contract of employment, with all staff members aligned to the NJC scale point range.

Payroll is currently processed via a third party, who completes the PAYE and pension deductions. The council is a member of the Local Government Pension Scheme (LGPS). I reviewed the payslips, and the payroll deductions appear correct. The salary payments are authorised and paid by the council in the same way as other payments.

The council has an appraisal system in place, with the Clerk's appraisal being conducted by councillors, and the other staff conducted by the Clerk. Planned changes to the staffing structure will mean another staff member taking line management responsibility for some staff, and training in appraisals is planned to support this.

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, although eligible expenses are reimbursed.



## 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 is maintained in an excel format. The register includes a summary page and detailed breakdowns of assets within separate areas of the business. Assets are correctly listed at original net cost, or as a nominal £1 where transferred to the council from the principal authority. Details of additions and deletions during the year are included on the asset register.

The Finance & Information Officer informed me that the council is considering the introduction of a 'de-minimis' limit for future asset acquisitions, and that a value of £50 has been discussed. The inclusion of a 'de-minimis' is common practice on asset registers of larger councils, although the suggested limit may be low compared to the overall value of the councils' assets. Even following the introduction of a 'de-minimis' limit, council is reminded that any transferred assets should still be included at the nominal value of £1.

A check of the register to ensure it is up to date and matches the AGAR information will be completed at the year-end audit.

The council has a PWLB loan which was taken out for the box office building at the theatre. The repayments are covered by the rental income received by the council from the theatre. Confirmation of the repayments and year-end balances will be checked at the year-end audit.

The council holds two accounts with Unity Trust. Due to the size of its annual budget, the council does not benefit from any protection offered by the Financial Services Compensation Scheme (FSCS), although it may wish to consider spreading the risk by considering an account with an alternate provider.

The council has an adopted Investment Policy, which was last reviewed by council in May 2022. Within the policy is the following requirement '5.4 Credit Ratings will be monitored at quarterly intervals. If the credit ratings fall during that period, the Town Clerk, in consultation with the Chair of the Finance Committee, will decide on the appropriate action.'

The Clerk confirmed that the credit rating are reviewed, and that the council is considering alternate banking and investment options, although this is likely to be reviewed after July once the council's cashflow position is clearer following changes to the grounds maintenance contract arrangements.

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 Chair or payment 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 Finance and Governance Committee.'

Bank reconciliations are completed monthly. 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 in accordance with the Financial Regulations, and that these checks are taking place monthly.

**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 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick “not covered”)*

**Audit findings**

Testing to be conducted at final audit.

**L: TRANSPARENCY****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*

**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                                 | 2021/22 Actual |
|--|----------------|
| Date AGAR signed by council                            | 28 June 2022   |
| Date inspection notice issued                          | 29 June 2022   |
| Inspection period begins                               | 1 July 2022    |
| Inspection period ends                                 | 11 August 2022 |
| 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 2021/22, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

## **N: PUBLICATION REQUIREMENTS**

### **Internal audit requirement**

*The authority has complied with the publication requirements for 2021/22. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.*

*Before 1 July 2022 authorities must publish:*

- *Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited*
- *Section 1 - Annual Governance Statement 2021/22, approved and signed, page 4*
- *Section 2 - Accounting Statements 2021/22, approved and signed, page 5*

*Not later than 30 September 2022 authorities must publish:*

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

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

### **Audit findings**

I was able to confirm that the Notice of Public Rights is published on the council website along with the Notice of Conclusion of Audit and External Auditor Report and Certificate and the publication requirements for 2021/22 have been met.

## **O. TRUSTEESHIP**

### **Internal audit requirement**

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

### **Audit findings**

The council is the trustee of the Frank Thomas Arnold for a Park or Recreation Ground (charity number 304785). I reviewed the information on the Charity Commission website, which shows all reporting is up to date and the council is correctly listed as the sole trustee. The Clerk confirmed that separate meetings for the trust take place quarterly.

**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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 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 (2021-22) 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 2021/22 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



**Andy Beams**  
For Mulberry & Co

**Interim Audit – Action Points Carried Forward**

| <b>Audit Point</b>  | <b>Audit Findings</b>   | <b>Council comments</b> |
|---|---|-------------------------|
| <b>FINANCIAL REGULATIONS,<br/>GOVERNANCE AND<br/>PAYMENTS</b> | <p>While the council can determine its own notice period (providing it is no less than the statutory requirement) it has retained these changes in bold type, indicating that they remain a statutory requirement which is incorrect.</p> <p>The council may wish to consider amending the Standing Orders to reflect the statutory three clear working days, while continuing with the convention of providing the agenda earlier whenever possible.</p> |                         |