



## MULBERRY & CO

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Our Ref: MARK/NET002

Mrs M Rumble  
Nettlestead Parish Council  
Maidstone  
Kent

24 May 2023

Dear Michelle

**Re: Nettlestead Parish Council**  
**Internal Audit Year Ended 31 March 2023 – Year-End Audit report**

### **Executive summary**

Following completion of our year-end internal audit on 24 May 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. 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 Nettlestead 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, who has over 30 years' experience in the financial sector with the last 13 years specialising in local government.

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

### Engagement Letter

An engagement letter was previously issued to the council covering the 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 year-end audit was remotely. The Clerk provided the requested information for review in advance of a scheduled telephone conversation. Other information was reviewed through discussion with the Clerk and a review of the council website [www.nettlesteadparishcouncil.co.uk](http://www.nettlesteadparishcouncil.co.uk)

This is the first internal audit conducted by Mulberry & Co for the council. Based on the internal audit reports published on the council website, our more thorough review of governance has highlighted some areas where the council may wish to improve their practices to comply with the various areas of legislation applicable to the local government sector.

The council uses Excel for recording the day-to-day financial transactions of the council. This is a suitable method for a council of this size, and my review of the accounting records shows a system that the Clerk has developed to accurately record transactional information and produce management reports for review at council meetings.

## B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS

### **Internal audit requirement**

*This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.*

### **Audit findings**

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

The External Auditor's Report for 2021/22 was not qualified. The conclusion of the audit was reported to council at the meeting held on 1 September 2022 (minute ref 11), although I was unable to locate either the report or the Notice of Conclusion of Audit on the council website.

**One of the requirements of the Accounts and Audit Regulations 2015 is that 'not later than 30 September 2022 authorities must publish the Notice of conclusion of audit and Section 3 - External Auditor Report and Certificate' and therefore the council has failed to meet control objectives L and M.**

The Clerk will arrange to add the document to the website.

*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 councillors and includes their individual Register of Members' Interests Forms. I note that the Clerk included on the agenda for the May 2023 meeting the signing of Declaration of Acceptance of Office and completion of Register of Interest Forms following the election.

*Confirm that the council is compliant with the relevant transparency code.*

As the council's income and expenditure exceeds £25,000, it is not a statutory requirement to follow the requirements of the Local Government Transparency Code, although it is recommended best practice to do so. I recommend reviewing the way the information is published on the website of West Chilton Parish Council as a best practice example via this link [www.wcpc.org.uk/transparency](http://www.wcpc.org.uk/transparency)

*Confirm that the council is compliant with GDPR.*

The council is fully aware of GDPR and has undergone training. It was noted the council has not established common email addresses for councillors, with personal email addresses being used. It is recommended to establish common email addresses, such as [Cllr.Smith@nettlesteadpc.go.uk](mailto:Cllr.Smith@nettlesteadpc.go.uk), 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 note that the council website provides an email address solely for the Clerk.

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.*

**I recommend the council follows the JPAG guidance on emails and that all councillors use their official email accounts for all council business.**

The council has a Privacy Policy on the home page of its website and has a limited accessibility function allowing basic functions to be altered.

The Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018, which build on the existing obligations under the Equality Act 2010, came into force for public sector bodies on 23 September 2018. They include the requirement to make the website or mobile app more accessible by making it 'perceivable, operable, understandable and robust', and the requirement to include and update an accessibility statement on your website.

**I recommend the council liaises with its website provider to obtain an accessibility statement and publish this on the website to comply with the requirements of the regulations.**

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

Council meets monthly (apart from August) and agendas and minutes are published on the council website.

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

I was able to confirm that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting. **I remind council it is required to also post any supporting documentation with the agendas as outlined by the Information Commissioner's Office** (page 3 of this link) [ico.org.uk/minutesandagendas.pdf](https://ico.org.uk/minutesandagendas.pdf)

*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 current NALC model and were most recently reviewed and adopted by council at the meeting held in April 2022 (minute reg 12.9).

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

Financial Regulations are based on an older version of the NALC model and were last reviewed and adopted by council at the meeting held in April 2022 (minute reg 12.11). 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 Financial Regulations include details of how council will approve payments as below:

*FR 5.2 A schedule of the payments required, forming part of the Agenda for the Meeting shall be prepared by the Clerk and, together with the relevant invoices, be presented to Council. If the schedule is in order, it shall be authorised by a resolution of the Council. If more appropriate the detail may be shown in the Minutes of the Meeting. A statement will be reconciled monthly and presented to the full council.*

A review of the minutes of meeting shows a recurring item whereby payments are approved by council, and the detail is then contained within the minutes in accordance with FR 5.2

As the audit was conducted remotely, I was unable to undertake any detailed testing of invoices but based on my other tests and a review of the accounting records, I am content that amounts are accurately recorded and appropriately authorised by council.

With detail in the minutes of a recurring agenda item of a review of a budget monitoring report, I am satisfied that councillors are provided with sufficient financial information to make informed decisions.

*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 section 137 expenditure within the allowable threshold for the year.

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

The council is not VAT registered and submits its VAT reclaims via the VAT 126 claim form. I reviewed the submission for the period 1 October 2022 to 31 March 2023 inclusive which showed a refund amount due of £721.84. The claim form was accompanied by a list of invoices providing the required VAT information. I was able to confirm the receipt of the refund amount to the council's bank account on 18 April 2023. the council is up to date with its VAT submissions.

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

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

## **C. RISK MANAGEMENT AND INSURANCE**

### **Internal audit requirement**

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

### **Audit findings**

The council has an annual risk assessment, which was approved by council in April 2022 (minute ref 12.15) and is published on the council website. The assessment identifies risks and details the control measures in place and is supported by a set of more comprehensive notes. This is a suitable format for a council of this size with minimal risks. The council also publishes a Statement of Internal Control on its website stating other control checks in place.

I confirmed that the council has a valid insurance policy in place with Zurich in a long-term agreement expiring on 25 January 2025. The policy includes Public Liability cover of £12 million, Employers Liability cover of £10 million and a Fidelity Guarantee level of £250,000, which is sufficient for a council of this size.

We discussed assertion 8 on the Annual Governance Statement and whether 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 they were not aware of any event having a financial impact that was not included in the accounting statements.

**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 £20,741 for 2022/23. With a tax base of 316.5, this equates to a band D equivalent of £65.53 (compared to the average in England of £74.81).

I was able to find confirmation in the minutes of the meeting held in January 2023 that the 2023/24 budget and precept were approved by council (minute ref 11).

There is evidence within the minutes of every council meeting of a regular review of the budget monitoring report.

The accounting records show that the council ended the year with income reported as 107% of budget and expenditure reported as 101% of budget, confirming that the budget has been well managed and carefully monitored during the year.

Council is reminded that 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).

Year-end balances do not appear to be defined between general and/or earmarked (for specific future planned projects of the council) and the council may wish to consider adding the appropriate split as the total balance, if held as a general reserve, is higher than the recommended range.

**E. INCOME****Internal audit requirement**

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

**Audit findings**

I was able to confirm the precept amount included in box 2 of the AGAR is correct. Other income has been recorded in the accounting records with sufficient detail to identify the source of the transaction and the totals have been correctly included in box 3 of the AGAR.

**F. PETTY CASH****Internal audit requirement**

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

**Audit findings**

The council has no petty cash.

## G. PAYROLL

### **Internal audit requirement**

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

### **Audit findings**

The Clerk is the only employee and has a signed contract of employment. The council processes payroll in house using SAGE. I reviewed the payslips for months 11 and 12 and the payroll deductions appear correct.

I reviewed the total figure being included within box 4 (staff costs) on the Annual Governance and Accountability Return (AGAR) and found this did not match the correct allowable box 4 costs recorded in the accounting records.

The JPAG Practitioner's Guide provides guidance on the proper practices for recording staff costs for the purpose of including these within box 4 of the AGAR as below:

*2.16. This cell shows all the costs to the authority relating to the employment of its staff. Staff costs for the purpose of Line 4 include the gross salary of employees, employer's national insurance contributions, employers pension contributions, gratuities for employees or former employees and severance or termination payments to employees.*

**The Employers National Insurance Contribution of £118 has been excluded from the box 4 total, and the figure should be increased by this amount, with the same amount deducted from the box 6 figure. If the same error was made in 2021/22 and not highlighted by the internal auditor at the time, the figures should be corrected and restated on the AGAR.**

There are no councillor allowances.

## H. ASSETS AND INVESTMENTS

### **Internal audit requirement**

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

### **Audit findings**

The council has a fixed asset register in place which lists items, provides a purchase price, basis of valuation and the amount to include on box 9 of the AGAR. Of the items listed, one is recorded at a nominal £1 with all others included as estimated replacement cost.

The JPAG Practitioner's Guide provides the proper practices for the recording and valuation of assets and includes the guidance below:

*5.58. Assets should be first recorded in the asset register at their actual purchase cost.*

*5.64. For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced*

**After discussion with the Clerk, it appears that items are correctly valued at original cost on the asset register, although the column stating the basis of valuation contains incorrect details for items listed as 'estimated replacement cost'. This should be amended to original purchase price to avoid any confusion.**

The council has no borrowing nor long-term investments.



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

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

**Audit findings**

Bank reconciliations are and presented to council at meetings for review, and the minutes reflect the bank reconciliation being signed by the Chairman. I reviewed the March 2023 bank reconciliation and was able to confirm the balances to the bank statements and found no errors.

The council has two bank accounts with Santander, with total balances held within the £85,000 protection limit offered by 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**

The council, at its meeting to sign off the year-end accounts, must discuss Section 1 of the AGAR (Annual Governance Statement) and record this activity in the minutes of the meeting. **COUNCIL IS REMINDED THAT THIS MUST BE A SEPARATE AGENDA ITEM PRIOR TO THE SIGNING OF SECTION 2 OF THE AGAR (ANNUAL ACCOUNTS).**

**Section 1 – Annual Governance Statement**

Based on the internal audit finding I recommend using the table below as the basis for that discussion.

	<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 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 2021/22 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	<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



	introduction of internal controls and/or external insurance cover where required.		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> – matters raised in internal and external audit reports have been addressed.
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 its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>YES</b> – the council has met its responsibilities as a trustee.

### Section 2 – Accounting Statements

AGAR box number		2021/22	2022/23	Internal Auditor notes
1	Balances brought forward	24,744	28,511	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	19,753	20,741	Figure confirmed to central records
3	Total other receipts	6,296	5,719	Agrees to underlying records
4	Staff costs	6,786	<del>9,586</del> 9,704	Agrees to underlying records – <b>increased by £118 due to excluded employers NI amount (see section G)</b>
5	Loan interest/capital repayments	0	0	Council has no borrowing
6	All other payments	15,526	<del>18,677</del> 18,560	Agrees to underlying records - <b>increased by £118 and due to excluded employers NI amount (see section G) and rounded to remove £1 rounding error</b>
7	Balances carried forward	28,511	26,707	Casts correctly and agrees to balance sheet
8	Total value of cash and short-term investments	28,511	26,707	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	70,813	70,813	Matches asset register
10	Total borrowings	0	0	Council has no borrowing
11a	Disclosure note re Trust Funds (including charitable)	YES	YES	Yes – the council is not a sole trustee
11b	Disclosure note re Trust Funds (including charitable)		YES	Yes – the council has met the disclosure requirements

**Audit findings**

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

The AGAR correctly casts and cross casts and last year’s comparatives match the figures submitted for 2021/22. Boxes 4 and 6 should be amended to accurately reflect the Employers National Insurance expenditure which should be included in box 4. Box 6 should be amended by a further £1 to remove the rounding error.

The variance analysis has been completed to explain the variances exceeding 15% where required, and in my opinion, contains sufficient narrative and quantitative information for the External Auditor, but should be updated to reflect the amended AGAR figures.

**K. LIMITED ASSURANCE REVIEW**

**Internal audit requirement**

*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. (If the authority had a limited assurance review of its 2021/22 AGAR tick “not covered”)*

**Audit findings**

The council did not certify itself exempt in 2021/22 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**

This internal control objective has changed since last year. Where previously it related to the relevant Transparency Codes, a council with annual turnover exceeding £25,000 was recommended to follow the Local Government Transparency Code 2015, but it was not a statutory requirement.

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.

**There are only three years’ worth of published pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor’s Report and Certificate) of the AGAR on the council website, and the council did not publish the Notice of Conclusion of Audit and External Auditor Report and Certificate before the statutory deadline of 30 September and therefore the requirements of this control objective have NOT been met.**

**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	2022/23 Proposed
Date AGAR signed by council	12 May 2022	1 June 2023
Inspection period begins	13 June 2022	5 June 2023
Inspection period ends	22 July 2022	14 July 2023
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 2021/22, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

I was able to confirm that the proposed dates for 2022/23 meet the statutory requirements.

**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**

**While I was able to confirm that the Notice of Public Rights is published on the council website, the Notice of Conclusion of Audit and External Auditor Report and Certificate were not published before the statutory deadline of 30 September and therefore the publication requirements for 2021/22 have NOT 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 King George's Field Nettlestead (charity number 1084534). I reviewed the information on the Charity Commission website, which shows the council correctly listed as the sole trustee and that all reporting is up to date.

**Achievement of control assertions at year-end audit date**

Based on the tests conducted during the year-end audit, our conclusions on the achievement of the internal control objectives are summarised in the table below and are reflected in the completion of the Annual Internal Audit Report within the AGAR.

	<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 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 published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation		√	
M	The authority, during the previous year (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

**Year-End Audit - Points Carried Forward**

Audit Point	Audit Findings	Council comments
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	One of the requirements of the Accounts and Audit Regulations 2015 is that 'not later than 30 September 2022 authorities must publish the Notice of conclusion of audit and Section 3 - External Auditor Report and Certificate' and therefore the council has failed to meet control objectives L and M.	
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	I recommend the council follows the JPAG guidance on emails and that all councillors use their official email accounts for all council business.	
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	I recommend the council liaises with its website provider to obtain an accessibility statement and publish this on the website to comply with the requirements of the regulations.	
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	I remind council it is required to also post any supporting documentation with the agendas as outlined by the Information Commissioner's Office (page 3 of this link) <a href="https://ico.org.uk/minutesandagendas.pdf">ico.org.uk/minutesandagendas.pdf</a>	
<b>PAYROLL</b>	The Employers National Insurance Contribution of £118 has been excluded from the box 4 total, and the figure should be increased by this amount, with the same amount deducted from the box 6 figure. If the same error was made in 2021/22 and not highlighted by the internal auditor at the time, the figures should be corrected and restated on the AGAR.	
<b>ASSETS AND INVESTMENTS</b>	It appears that items are correctly valued at original cost on the asset register, although the column stating the basis of valuation contains incorrect details for items listed as 'estimated replacement cost'/. This should be amended to original purchase price to avoid any confusion.	
<b>PUBLICATION OF INFORMATION</b>	There are only three years' worth of published pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor's Report and Certificate) of the AGAR on the council website, and the council did not publish the Notice of Conclusion of Audit and External Auditor Report and Certificate before the statutory deadline of 30 September and therefore the requirements of this control objective have <b>NOT</b> been met.	
<b>PUBLICATION REQUIREMENTS</b>	While I was able to confirm that the Notice of Public Rights is published on the council website, the Notice of Conclusion of Audit and External Auditor Report and Certificate were not published before the statutory deadline of 30 September and therefore the publication requirements for 2021/22 have <b>NOT</b> been met.	