

Annual Internal Audit Report 2024/25

STRATFIELD SAYE PARISH COUNCIL

www.stratfieldsaye-pc.go.uk

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

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 assessed 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 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick 'not covered')	✓		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

NO
PETTY
CASH

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed)

Date(s) internal audit undertaken

12/06/2025

Name of person who carried out the internal audit

A. BEAMS, MULBERRY LAS LTD

Signature of person who carried out the internal audit

A. Beams

Date

12/06/2025

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed). **SEE FULL INTERNAL AUDIT REPORT**

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



MULBERRY
LOCAL AUTHORITY SERVICES LTD

Eastgate House

t: 07428 647069

Dogflud Way, Farnham

e: office@mulberrylas.co.uk

Surrey, GU9 7UD

w: www.mulberrylas.co.uk

Mrs L Webb
Stratfield Saye Parish Council
Oakridge
New Street
Stratfield Saye
Reading
RG7 2EJ

12 June 2025

Dear Louise

Re: Stratfield Saye Parish Council
Internal Audit for Financial Year Ended 31 March 2025 – Final Audit report

Executive summary

Following completion of our final internal audit on 12 June 2025 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 Annual Governance and Accountability Return (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 which is available on request. The report concludes with an opinion as to whether each assertion has been met or not at this point in the year. **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 Stratfield Saye 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 Local Authority Services Ltd, who has over 35 years’ experience in the financial sector with the last 15 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 and inherent risk assessment

An engagement letter was previously issued to the council covering the 2024/25 internal audit assignment, which includes the scope and plan of works and fee structure. Copies of this document are available on request from anna@mulberrylas.co.uk

In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

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

Table of contents

		PAGE
A	BOOKS OF ACCOUNT	4
B	FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	4
C	RISK MANAGEMENT AND INSURANCE	7
D	BUDGET, PRECEPT AND RESERVES	7
E	INCOME	8
F	PETTY CASH	8
G	PAYROLL	9
H	ASSETS AND INVESTMENTS	9
I	BANK AND CASH	9
J	YEAR END ACCOUNTS	10
K	LIMITED ASSURANCE REVIEW	13
L	PUBLICATION OF INFORMATION	13
M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS	14
N	PUBLICATION REQUIREMENTS	14
O	TRUSTEESHIP	14
	ACHIEVEMENT OF CONTROL ASSERTIONS	15
	AUDIT POINTS CARRIED FORWARD	16

A. BOOKS OF ACCOUNT

Internal audit requirement

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

Audit findings

This is the first internal audit conducted by Mulberry Local Authority Services Limited having been appointed by the council at the meeting held on 12 May 2025 (minute ref 54.25).

The audit was conducted remotely with the Clerk, who also acts as the council's Responsible Financial Officer (RFO). The Clerk had prepared and forwarded the AGAR and supporting documents for remote review. Other information was reviewed through discussion with the Clerk and a review of the council website www.stratfieldsaye-pc.gov.uk

The council uses Excel for recording the council's finances. This is a suitable method for a council of this size with a limited number of transactions and the spreadsheets used by the Clerk contain transactional information and can be used to produce management reports for review by council.

In previous years, the council has been able to exempt itself from a limited assurance review as its turnover has been below the £25,000 threshold. However, this year it has exceeded the threshold and my review has highlighted some areas where the council will need to comply with the audit regulations in full due to the increased external scrutiny placed upon the information by the External Auditor.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

This authority complied with its Finance 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 council declared itself exempt from a limited assurance review in 2023/24 and therefore does not receive an External Auditor's Report and is not required to publish a Notice of Conclusion of Audit form.

As the council's turnover has exceeded the £25,000 threshold this year and is subject to a full review, I remind the council that upon receipt of the External Auditor's Report and Certificate, this must be published on the council website by the end of September 2025 along with the completed Notice of Conclusion of Audit form, and the completion of the audit must be reported to the council and noted in the minutes of that meeting.

I note the council received and considered the previous internal auditor report at the council meeting held on 7 October 2024 (minute ref 91.24).

Historically, as the council has declared itself exempt from a limited assurance review, it appears that the completion and signing of the AGAR has taken place prior to the internal audit.

As stated in the guidance notes on completing Form 3 of the AGAR, 'The authority should receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.'

Confirm that the council is compliant with the relevant transparency code

As the council's income and expenditure for 2024/25 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.

Confirm that the council is compliant with GDPR

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

The Joint Panel on Accountability and Governance (JPAG) Practitioner's Guide (March 2024) contains updated guidance on the matter as below:

The importance of using .gov.uk domains for websites and emails

- 5.210. *All Parish, Town and Community Councils are eligible to use, and are advised to use, a .gov.uk domain for their websites and email communications. Your community, suppliers and partners will now reasonably expect a local council to have a .gov.uk domain name. Note that Parish meetings are exempt from the requirement to have a website.*
- 5.211. *To assist with compliance with the General Data Protection Regulations (GDPR), it is advised that clerks provide official .gov.uk email accounts to their councillors, which must only be used for official council business.*
- 5.212. *When choosing a domain name all councils must follow the rules set out by the Cabinet Office to choose a .gov.uk domain name, for example, 'ourparishcouncil.gov.uk' with email addresses linked to that domain.*
- 5.213. *Using a .gov.uk domain for your council website and email accounts gives Parish Councils the following advantages:*
- 5.214. *Increased professionalism and trust from members of your community, partners and suppliers because your email address and website domains are a trusted government brand.*
- 5.215. *Separation of your personal life from your professional life, ensuring members of your community, partners and suppliers understand what capacity you are emailing them in - whether a Councillor or Clerk.*
- 5.216. *Increased control for the Responsible Officer over email accounts and documentation when managing new joiners, leavers, sudden absences or Freedom of Information and Subject Access Requests.*

The council has a Privacy Notice and Accessibility Statement on its website.

Confirm that the council meets regularly throughout the year

The council meets regularly during the year and details of future meeting dates are published on the council website, along with historic agendas and minutes for meetings.

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

I was able to confirm that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting.

I note that agendas include supporting papers and remind the council it is required to also post all non-confidential supporting documentation with the agendas as outlined by the Information Commissioner's Office (page 3 of this link) ico.org.uk/minutesandagendas.pdf

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

Minutes are routinely uploaded to the council website and the website page contains a statement that all minutes are in draft format until approved at the next council meeting.

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

The Standing Orders are based on an old NALC model. I recommend the council reviews the latest NALC model version, available on the NALC website, and updates their using this template to ensure that all statutory requirements are included.

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

Financial Regulations are based on the current NALC model and have been reviewed and updated during the year. The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council. I note the council also has an adopted Scheme of Delegation to support the Financial Regulations.

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

A review of council minutes shows that council authorises payments in accordance with the adopted Financial Regulations.

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £10.81 per elector

The council has section 137 expenditure within the allowable threshold.

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's adopted Financial Regulations include a section covering Risk Management and state:

- FR 2.1 *The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.*
- FR 2.2 *The Clerk [with the RFO] shall prepare, for approval by [the council], a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.*
- FR 2.3 *When considering any new activity, the Clerk [with the RFO] shall prepare a draft risk assessment including risk management proposals for consideration by the council.*
- FR 2.4 *At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.*

The council has a basic risk assessment in place. Based on the size of the council, a more comprehensive risk process may be unnecessary, but council is reminded that based on the requirements of the Financial Regulations as detailed above, an annual review of the assessment must be completed and documented within the minutes of that council meeting.

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 £4,200 for 2024/25. With a tax base of 144.7, this equates to a band D equivalent of £29.03 (compared to the average in England of £85.89). I was able to confirm receipt of the precept amount, and this is correctly recorded in Box 2 of the AGAR.

I was able to confirm from the minutes of the December 2024 meeting that the council approved the 2025/26 budget and precept.

There is evidence within the minutes of meetings that councillors regularly receive budget reports for review, providing them with sufficient financial information to make informed decisions.

At the end of the financial year, the council held circa £15,130 in earmarked reserves, including amounts received from Community Infrastructure Levy (CIL) which are identified separately.

The Joint Panel on Accountability and Governance (JPAG) Practitioner's guide provides updated guidance on the appropriate level of general reserves that councils should retain as below:

5.33. The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.

5.34. 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.

5.35. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.

5.36. In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income.

5.37. Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

I recommend the council follows this guidance to ensure it maintains its reserves at an appropriate level.

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 has no other regular source of budgeted income. There are no fees nor charges levied by the council.

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 and the testing for this internal control objective does not apply.

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 fulfils the role on an unpaid basis and the council therefore has no salary expenditure, resulting in box 4 on the AGAR being zero.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The council has a basic fixed asset register in place which includes details of asset location, date of acquisition and a value.

I remind the council that assets should be listed at the original net (pre-VAT) cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register. **I note there is a bus shelter listed at nil, and if this is still in situ, this should be altered to £1.**

Further guidance on the correct valuation methods for Parish Council assets is contained in the Practitioner's Guide, published on the NALC website.

The asset register presented for review at the internal audit does not match the figure initially included on the AGAR. The AGAR gives the total as £70,812 (unchanged from the previous year) while the asset register gives the total as £76,880 with items included dated 2025. **Box 9 for 2024/25 on the AGAR should be altered to the new asset register total.**

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

Financial Regulation 2.6 states 'At each financial year end, a member other than the Chair shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.'

While there is evidence that bank reconciliations are completed and presented to council for review, there were no signed reconciliations nor statements available for review at the internal audit, and I must therefore conclude that the council has not met the requirements of this internal control objective.

I discussed this with the Clerk and am confident that she will ensure this is completed in accordance with the adopted Financial Regulations in future.

I reviewed the March 2025 bank reconciliation for all accounts and was able to confirm the balances to the bank statements and found no errors. The total matches the figure included in box 8 of the AGAR.

As the council's annual budget is below the €500,000 threshold, it is protected by the Financial Services Compensation Scheme (FSCS). Balances are retained within the £85,000 protection threshold.

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 (ACCOUNTING STATEMENT).

Section 1 – Annual Governance Statement

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

	Annual Governance Statement	'Yes', means that this authority	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>	YES – 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>	YES – 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>	YES – 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>	YES – the requirements and timescales for 2023/24 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>	YES – 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>	YES – 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>	YES – 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>	YES – 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>	N/A – the council has no trusts

Section 2 – Accounting Statements

AGAR box number		2023/24	2024/25	Internal Auditor notes
1	Balances brought forward	11,483	8,349	Agrees to 2023/24 carry forward (box 7)
2	Precept or rates and levies	3,900 (To be restated)	4,200	Figure confirmed to central precept record
3	Total other receipts	3,617 (To be restated)	25,754	Agrees to underlying accounting records
4	Staff costs	0	0	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	0	0	Council has no borrowing
6	All other payments	10,651	18,350	Agrees to underlying accounting records
7	Balances carried forward	8,349	19,953	Casts correctly and agrees to balance sheet
8	Total value of cash and short- term investments	8,349	19,953	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long- term investments and assets	70,812	76,889	Matches asset register total and changes from previous year have been traced
10	Total borrowings	0	0	Council has no borrowing
11a	Disclosure note re Trust Funds (including charitable)	No	No	No – the council is not a sole trustee
11b	Disclosure note re Trust Funds (including charitable)	N/A	N/A	N/A – the council is not a sole trustee

Audit findings

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

The AGAR correctly casts and cross casts and last year's comparatives match the figures submitted for 2023/24 and published on the council website. However, **I draw the council's attention to the fact that the box 2 and box 3 figure for the previous year are incorrect. Box 2 should have been £3,900 and box 3 therefore should have been £3,617.**

Box 2 on the AGAR is for the precept only – any other funds received by way of grants should be included in box 3.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")

Audit findings

The council correctly exempted itself from a limited assurance review in 2023/24 and the Exemption Certificate is published on the council's website.

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

For councils with a turnover over £25,000, it is recommended best practice to follow the Local Government Transparency Code 2015, but not a statutory requirement and therefore not subject to verification during the internal audit.

All councils are required to follow The Accounts and Audit Regulations which include the following requirements:

13(1) An authority must publish (which must include publication on that authority's website)

- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
- (b) the Annual Governance Statement approved in accordance with regulation 6(3)

13(2) Where documents are published under paragraph (1), the authority must

- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
- (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

I was able to confirm that pages 4 (Annual Governance Statement) and 5 (Accounting Statements) of the AGARs are available for review on the council website for financial years 2019/20 to 2023/24 inclusive. As the council has declared itself exempt from a limited assurance throughout this period, it has no pages 6 (External Auditor Report and Certificate) to publish.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority has demonstrated that during summer 2024 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

I am satisfied the requirements of this control objective were met for 2023/24, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the council. I discussed with the Clerk the requirements for 2024/25, and she intends to call a meeting at the end of June to sign the AGAR and is aware of the correct dates for the Public Rights' Notice.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority has complied with the publication requirements for 2023/24. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2024 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 2023/24, approved and signed, page 4
- Section 2 - Accounting Statements 2023/24, approved and signed, page 5

Not later than 30 September 2024 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 the Period of Public Rights and Section 1 (Annual Governance Statement) and Section 2 (Accounting Statement) were published on the council's website before 1 July 2024.

As the council declared itself exempt from a limited assurance review in 2023/24, it did not receive an External Auditor Report and Certificate and was not required to publish a Notice of Conclusion of Audit.

The council has therefore met the publication requirements for 2023/24.

O. TRUSTEESHIP

Internal audit requirement

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

Audit findings

The council has no trusts, and testing for this internal control objective is not applicable.

Achievement of control assertions at final internal audit date

Based on the tests conducted during the interim and final audits, our conclusions on the achievement of the internal control objectives to date are summarised in the table below.

	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 Finance 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 the previous year, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review in the previous year 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 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 previous year's AGAR.	✓		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please contact me directly on andy@mulberylas.co.uk or 07428 647069.

Yours sincerely



Andy Beams

Director, Mulberry Local Authority Services Ltd

Final Internal Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	<p>As the council's turnover has exceeded the £25,000 threshold this year and is subject to a full review, I remind the council that upon receipt of the External Auditor's Report and Certificate, this must be published on the council website by the end of September 2025 along with the completed Notice of Conclusion of Audit form, and the completion of the audit must be reported to the council and noted in the minutes of that meeting.</p> <p>As stated in the guidance notes on completing Form 3 of the AGAR, '<i>The authority should receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.</i>'</p> <p>The Standing Orders are based on an old NALC model. I recommend the council reviews the latest NALC model version, available on the NALC website, and updates their using this template to ensure that all statutory requirements are included.</p>	

H. ASSETS AND INVESTMENTS	<p>I note there is a bus shelter listed at nil, and if this is still in situ, this should be altered to £1.</p> <p>Box 9 for 2024/25 on the AGAR should be altered to the new asset register total.</p>	
I. BANK AND CASH	<p>While there is evidence that bank reconciliations are completed and presented to council for review, there were no signed reconciliations nor statements available for review at the internal audit, and I must therefore conclude that the council has not met the requirements of this internal control objective.</p>	
J. YEAR-END ACCOUNTS	<p>I draw the council's attention to the fact that the box 2 and box 3 figure for the previous year are incorrect. Box 2 should have been £3,900 and box 3 therefore should have been £3,617.</p> <p>Box 2 on the AGAR is for the precept only – any other funds received by way of grants should be included in box 3.</p>	