



## MULBERRY & CO

Chartered Certified Accountants  
& Chartered Tax Advisors

Eastgate House  
Dogflud Way, Farnham  
Surrey, GU9 7UD

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

Our Ref: MARK/BIS001

Mr D Hillier-Wheal  
Bishopstoke Parish Council  
Riverside  
Bishopstoke  
Hampshire  
SO50 6LQ

25<sup>th</sup> January 2024

Dear David

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

### Executive summary

Following completion of our interim internal audit on the 25<sup>th</sup> January 2024 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date.

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified. Testing requirements follow those detailed in the audit plan previously sent to the council, a copy of this is available on request. The report concludes with an opinion as to whether each assertion has been met or not at the interim audit. Where appropriate **recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

The interim audit was conducted on site with the Clerk and RFO. The RFO had prepared the information advised in advance of the visit and provided a pack of evidence in pdf format. I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the clerk and a review of the council website [www.Bishopstokepc.org](http://www.Bishopstokepc.org)

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. We noted that there is a budget for training but at the audit date none has taken place. I would like to remind councillors of the importance of training. The minutes show councillors are able to make informed decisions from unambiguous and concise reporting by the clerk.

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.

### Regulation

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

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

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

### Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor has over 30 years' experience in the financial sector with the last 20 years specialising in local government finance and internal audit.

### Engagement Letter

An engagement letter was previously issued to the council covering the internal audit assignment. Copies of this document are available on request.

### Planning and inherent risk assessment

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

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

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

#### Table of contents –

		TEST AT INTERIM	TEST AT FINAL	PAGE
A	BOOKS OF ACCOUNT	✓		3
B	FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	✓		4
C	RISK MANAGEMENT AND INSURANCE	✓		6
D	BUDGET, PRECEPT AND RESERVES	✓	✓	6
E	INCOME	✓	✓	7
F	PETTY CASH	n/a	n/a	7
G	PAYROLL	✓	✓	7
H	ASSETS AND INVESTMENTS	✓	✓	8
I	BANK AND CASH	✓	✓	8
J	YEAR END ACCOUNTS	✓	✓	9
K	LIMITED ASSURANCE REVIEW	✓		10
L	PUBLICATION OF INFORMATION	✓		11
M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS	✓	✓	12
N	PUBLICATION REQUIREMENTS	✓		12
O	TRUSTEESHIP	✓	✓	12
	ACHIEVEMENT OF CONTROL ASSERTIONS AT INTERIM AUDIT DATE			13
	INTERIM AUDIT POINTS CARRIED FORWARD			14

## A. BOOKS OF ACCOUNT

### **Internal audit requirement**

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

### **Audit findings**

The council continues to use the Edge suite as a day-to-day accounting package, this is a tried and tested industry specific package and I make no recommendation to change. The system is used regularly to report on and record the financial transactions of that of the Council.

There are four users, each with access to all areas. The RFO is responsible for the maintenance of privileges on the system.

Passwords are not routinely prompted to change, although Edge Systems are in the process of updating this to two factor. Each user has to log onto the local council system first before accessing the financial reporting package. The system access uses generic logon names and passwords i.e. Admin 1 admin 2 – **this is an access risk that could allow leavers to access the system as users/password are not cancelled. I recommend this be reviewed with Edge.**

The system is backed up to the cloud on a real time basis.

The system requires the population of key data fields to enable the user to record a transaction. This is a clear and easy to follow system and a review of the ledgers show that all data fields are being entered, the reports are easy to read and logically filed.

I tested the opening balances as at 1/4/23 by reviewing the balance brought forward on the two bank accounts – there were no errors.

I reviewed the nominal ledger entries for the period 1st of April to 31<sup>st</sup> December to ensure items were posted to the correct heading and can confirm entries are posted to the correct heading and income and expenditure is not netted off.

The Council is VAT is not registered and the last VAT reclaim was for the three-month period ended 31<sup>st</sup> December 2023, which showed a refund position of £6,801.26. The refund was received on the 16<sup>th</sup> of January 2024 and agrees to the physical bank statement. This test indicates that the council is up to date with its postings on the financial package and that these can be verified to third party evidence.

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

## B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS

### **Internal audit requirement**

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

### **Audit findings**

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

The external auditors report was not qualified in 2022/23. The AGAR is published on the council website along with the notice of conclusion. This was minuted by full council Full\_2424\_M04/46.2

There is evidence of the internal audit report also being taken to council. Minute ref Full\_2324\_MO1/7.2

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

I confirmed by sample testing that Councillors sign Acceptance of Office forms, declaration of interest and a declaration to receive information by electronic means.

*Confirm that the Council is compliant with the GDPR & Accessibility*

The council is fully aware of GDPR and accessibility regulations. **The links on the web site to these privacy and accessibility policies could be clearer and I would recommend a home page link to these.**

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

The Joint Panel on Accountability and Governance (JPAG) Practitioner's Guide (March 2023) contains updated guidance on the matter as below:

#### *The importance of secure email systems and GOV.UK*

5.205. *All authorities except parish meetings must now have an official website. To comply with GDPR, councils should provide official email accounts for their councillors as well as for their clerk and other officers.*

5.206. *When choosing a domain name for the council's website and emails, many local council websites are appropriately making use of the official GOV.UK domain (for example, ourparishcouncil.gov.uk), with email addresses being linked to that domain.*

5.207. *Using a GOV.UK domain for your council website and email accounts demonstrates the council's official local government status. Members of the public are increasingly cyber security awareness, so a GOV.UK domain can also help to build trust, and credibility and visibly demonstrates authenticity. Many people will now reasonably expect a local council to have a GOV.UK domain name.*

5.208. *For the purposes of user management, councils should ensure that the proper officer can add and remove member and staff email accounts. Commercial 'dashboard' email and web systems offer centralised searching of all data contained within the system for effective compliance with GDPR Subject Access Requests and Freedom of Information Requests.*

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

Full council meets bi-monthly and there are four committees. The council had adopted terms of reference for each committee, and these are adopted annually. The council has a scheme of delegation (dated 2018). **I recommend this is reviewed and readopted.**

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

The council has the General Power of Competence (GPC). This was reaffirmed correctly in May 2021.

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

The RFO was able to demonstrate that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance.

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

Minutes are correct uploaded to the council website, and these are in an accessible format. The soft copy minutes agree to the hard copy signed folder. A review of their hard copies shows that minutes are properly signed.

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

The standing orders are based on the NALC model. These were reviewed and readopted at least annually.

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

Financial regulations are based on the NALC model. These were reviewed and readopted annually. The regulations being based on the NALC model contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

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

Financial regulations 2.2 deals with bank reconciliations. "At each meeting of the Finance Committee, an appointed member of the Committee shall verify the bank reconciliation statements and sign the reconciliations and bank statements as evidence of verification. At the halfway point of each financial year, this must be completed by the Chair of the Committee, and at the end of the financial year by the Chair of the Parish Council."

The council is performing a regular reconciliation, which is signed and minuted. The regulation is prescriptive as to who must sign the reconciliations during the council year and it is noted that this is not the full NALC wording, but a tailored version. **Council may want to consider updating to the latest NALC version.**

Financial regulations 4, 5 & 6 deal with the authorisation to purchase and pay for goods and services. I discussed the system with the clerk and RFO and we agreed the day-to-day practice no longer reflects the wording of the regulation and that the regulations need to be updated. In essence the council is making payment before the council approves the expenditure which is the direct opposite of the regulation. I recommend the financial regulations are reviewed in the light of day-to-day practice and updated accordingly.

*Financial Regulation 4.1 No expenditure may be incurred that will exceed the amount provided in the revenue budget plus £500 for that class of expenditure except that during the budget year, and with the approval of Council having considered fully the implications for public services, unspent budget headings and available sums from reserves may be vired to other budget headings or to an earmarked reserve, as appropriate.*

*4.2 The RFO shall provide the Council with a statement of payments and receipts to date under each budget head, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements will normally be prepared monthly but must be prepared at least at the end of each financial quarter.*

*4.3 The Clerk, or in their absence the Acting Clerk, may incur expenditure on behalf of the Council that is necessary to carry out any repair, replacement or other work that is of such extreme urgency that it must be done at once, whether or not there is a budgetary provision for the expenditure, subject to a limit of £5,000, or £10,000 in consultation with the Chair, per emergency. The Clerk shall report the action to the Council as soon as practicable thereafter.*

*5.2 A schedule of the payments required to be authorised, forming part of the agenda for the meeting, shall be prepared by the RFO and be presented to every meeting of the Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be initialled by the Chair of the meeting. A copy of the schedule will be attached to and form a part of the Minutes of the meeting.*

*6.3 Following authorisation under section 5 of this Appendix (above), the Council, or Finance Committee or, if so delegated, the Clerk or RFO, shall give instruction that a payment shall be made.*

*6.4 All payments shall be noted and approved by a resolution of Council or the Finance Committee.*

I reviewed the process of payment authorisation and am of the opinion that this is robust for a council of this size. Sample testing did not indicate any weaknesses.

I was able to verify that council had pre-approved the expenditure in accordance with regulation and that where applicable quotes and estimates had been obtained.

The only risk within the system was that there was no dual authorisation on bank, and that an individual logging onto the bank is in a position to transfer up to £25k per day. The lack of compensating controls such as weekly review of the bank reconciliation/balances, weekly actual versus budget reporting increases the risk this would go undetected for up to a month (at least until the next council meeting when finances are reportable.) **I recommend dual authorisation is set up with the bank.**

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

## C. RISK MANAGEMENT AND INSURANCE

### **Internal audit requirement**

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

### **Audit findings**

Risk assessment - to test at next visit

I confirmed that the council has a valid long term insurance policy in place with Aviva which was renewed in November 2023. The policy includes Public Liability and Employers Liability cover of £10 million each and an Internal Crime (Fidelity Guarantee) level of £500,000 which is adequate for a council of this size. The listed asset cover appears appropriate based on the items recorded on the council’s asset register.

## 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**

I confirmed that full council approved the precept for the 2024/25 council year in its 9<sup>th</sup> of January 2024 meeting. Minute ref 62.2. *The council is requesting a precept of £384,728.*

I note that there is a regular review of financial information, the budget position is for a surplus of £35k at the year end. This is because of savings on the salaries line and additional earned interest.

The council holds circa £77k in earmarked reserves, a review of the headings of each reserve show these to be bonafide. The largest reserves are those of Legal £5k and community fund £3k.

The council is currently holding £295k in general reserve. The forecast for the year end is total reserves of £210k at the year end date with £58k in earmarked and £152k in general. Earmarked reserves are bonafide and there is movement shown.

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 comfortably within this 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**

Apart from the precept, the council receives income from a range of income streams, including but not limited to income from allotments, cemetery income, grants, & interest. A review of the nominal ledger report shows that income is recorded with sufficient narrative detail to identify the source and appears to have been allocated to the correct nominal code.

There was no evidence of netting off of income against expenditure and there is no indication the council should be registered for VAT.

In accordance with financial regulations annual fees and charges are review and minuted and also form part of the budget working.

## **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. This test 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 monthly payroll is processed in house using HMRC tools. I tested the tax calculation – there were no errors. The council has correctly disclaimed the employment allowance. The council has fulfilled its obligations in respect of auto-enrolment and uses LGPS.

Monthly PAYE and NI deductions and returns have been submitted online, on time to HMRC. There were no errors recorded or late payments to HMRC during the financial year under review.

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

I was able to verify the gross pay of a staff member to the NJC pay scales and also verified the backpay calculation of the national pay increase.

## **H. ASSETS AND INVESTMENTS**

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

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

### **Audit findings**

To be tested at the next audit. Undergoing a full review.

## **I. BANK AND CASH**

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

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

### **Audit findings**

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

Due to the size of the council's budget, it does qualify for the protection available under the Financial Services Compensation Scheme (FSCS).



## J. YEAR END ACCOUNTS

### Internal audit requirement

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

### Audit findings

#### Section 1 – Annual Governance Statement

	<b>Annual Governance Statement</b>	<i>'Yes', means that this authority</i>	<b>Suggested response based on evidence</b>
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	<b>YES</b> – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	<b>YES</b> – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	<b>YES</b> – The internal auditor identified weaknesses in the system– which are being addressed.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	<b>YES</b> - the requirements and timescales for 2022/23 year-end were met
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	<b>YES</b> – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	<b>YES</b> – the council has appointed an independent and competent internal auditor has completed two audits during the year.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	<b>YES</b> – where matters are raised, action taken by council is recorded
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	<b>YES</b> – no matters were raised during the internal audit visits.

9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>YES</b> – the council has met its responsibilities
---	---	--	---

### Section 2 – Accounting Statements

AGAR box number		2021/22	2022/23	Auditor notes
1	Balances brought forward	219,524	270,056	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	231,399	281,271	Figure confirmed to central records
3	Total other receipts	111,548	40,524	Agrees to underlying records
4	Staff costs	98,723	118,415	Agrees to underlying records
5	Loan interest/capital repayments	0	0	Verified against PWLB records
6	All other payments	193,692	244,255	Agrees to underlying records
7	Balances carried forward	270,56	229,182	Cast correctly and agrees to balance sheet

8	Total value of cash and short-term investments	274,171	233,978	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	318,226	367,004	Matches asset register
10	Total borrowings	0	0	Verified against PWLB records

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

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

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

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

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

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

##### **Audit findings**

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

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

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

**Audit findings**

The council's income and expenditure is in excess of £200,000 and as such it is required to follow the "Local Government Transparency Code 2015" which is recommended practice not a statutory requirement. The council has much of the information on its website in varying locations. **I recommend reviewing the website of west chiltington parish council as they have a good webs page for this.** <https://www.wcpc.org.uk/transparency/>

The 2015 Code requires local authorities in England to publish the following information quarterly:

Expenditure exceeding £500
Government Procurement Card transactions
Procurement information

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

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

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

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

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

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

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

I was able to confirm that pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor's Report and Certificate) of the AGAR are available for review on the council website for the last five years.

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

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

**Audit findings**

Inspection – key dates	2022/23 Actual
Date AGAR signed by council	9 <sup>th</sup> May
Date inspection notice issued	16 <sup>th</sup> May
Inspection period begins	5 <sup>th</sup> June
Inspection period ends	14 <sup>th</sup> July
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

**Audit findings**

I was able to confirm that the inspection requirements for 2022/23 have been met and the Notice of Public Rights is published on the council website.

**N: PUBLICATION REQUIREMENTS****Internal audit requirement**

*The authority has complied with the publication requirements for 2022/23. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.*

*Before 1 July 2023 authorities must publish:*

- *Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited*
- *Section 1 - Annual Governance Statement 2022/23, approved and signed, page 4*
- *Section 2 - Accounting Statements 2022/23, approved and signed, page 5*

*Not later than 30 September 2023 authorities must publish:*

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

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

**Audit findings**

I was able to confirm that the publication requirements for 2022/23 have been met and the Notice of Public Rights is published on the council website.

**O. TRUSTEESHIP****Internal audit requirement**

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

**Audit findings**

The council is the sole trustee of the Bishopstoke Memorial Hall (charity number 301744). A review of the Charity Commission website shows that all reporting is up to date and the council is correctly listed as the trustee.

None of the income comes through the parish council.

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

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives are summarised in the table below. A further review and update of this opinion will be conducted at the final audit.

	<b>INTERNAL CONTROL OBJECTIVE</b>	<b>YES</b>	<b>NO</b>	<b>NOT COVERED</b>
A	Appropriate accounting records have been properly kept throughout the financial year	✓		
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	✓		
C	This authority assesses the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	✓		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for			✓ None
G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H	Asset and investments registers were complete and accurate and properly maintained.	✓		
I	Periodic bank account reconciliations were properly carried out during the year.	✓		
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K	If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>			✓
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M	The authority, during the previous year (2022-23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N	The authority has complied with the publication requirements for 2022/23 AGAR.	✓		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

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

Yours sincerely



**Mark Mulberry**  
For Mulberry & Co

## Interim audit 2024 – audit points

Audit Point	Audit Findings	Council comments
<b>BOOKS OF ACCOUNT</b> – system access	<b>Generic access user names - this is an access risk that could allow leavers to access the system as users/password are not cancelled. I recommend this be reviewed with Edge.</b>	
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	<p>The council is fully aware of GDPR and accessibility regulations. <b>The links on the web site to these privacy and accessibility policies could be clearer and I would recommend a home page link to these.</b></p> <p>The council has a scheme of delegation (dated 2018). <b>I recommend this is reviewed and readopted.</b></p> <p><b>In general financial regulations appear to slightly out of date and synch with day to day practice. I recommend a full review</b></p> <p><b>I recommend dual authorisation is set up with the bank.</b></p>	