



## MULBERRY & CO

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Our Ref: MARK/STM002

Mrs A Tait  
St Martha Parish Council  
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Albury  
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GU5 9AB

30<sup>th</sup> June 2021

Dear Anne

**Re: St Martha Parish Council**  
**Internal Audit Year Ended 31<sup>st</sup> March 2021**

### **Executive Summary**

Following completion of our internal audit on the 30<sup>th</sup> June 2021 we enclose our report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. **Testing requirements are shown in Red** and where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified, followed by recommended minimum testing requirements. Each section is then concluded with an opinion as to whether the assertion has been met or not.

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures very seriously and I am pleased to report that overall the systems and procedures you have in place are fit for purpose.

It is therefore our opinion that the systems and internal procedures at St Martha Parish Council are well established, and followed and that the exemption certificate can be sent to the external auditor.

## **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 & 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 is a qualified practicing accountant with over 20 years’ experience as a registered statutory auditor.

## **Engagement Letter**

An engagement letter was issued on the 11<sup>th</sup> May 2021 covering the 2020/21 internal audit assignment. Copies of this document are available on request.

## **Planning & Inherent Risk Assessment**

The scope and plan of works including fee structure was issued to the council on the 11<sup>th</sup> May 2021 under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

- There have been no instances of breaches of regulations in the past
- The client 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 my opinion that the inherent risk of error or misstatement is low and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be “walk through testing” on sample data to encompass the period of the council year under review.

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## A. BOOKS OF ACCOUNT

### **Internal audit requirement**

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

#### **Recommended Minimum Testing**

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

The Council continues to use excel as a day to day accounting package. The council has circa 60 transactions per annum and a simple cashbook system is entirely adequate for a council of this size.

My audit testing showed that supporting documentation could be easily located from records. I make no recommendation to change in this system.

I tested opening balances as at 1/4/20 and confirmed they could be agreed back to the audited accounts for 219/20.

The Council is not VAT registered and completes an annual VAT reclaim.

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

#### **Section Conclusion**

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

## B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS

### **Internal audit requirement**

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

#### **Recommended Minimum Testing**

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

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

I confirmed by sample testing that Councillors sign "Acceptance of Office" forms and register of members interests, in line with regulations. **The councillors will need to sign acceptance to receive information by electronic means.** I have provided some sample wording below for council consideration.

*"As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time."*

#### *Confirm that the Council is compliant with the GDPR & accessibility regulations*

As council is aware of GDPR and has a GDPR and accessibility policy on its website. It was noted the Council has common email addresses internally. A common email system such as [clr.name@stmartha](mailto:clr.name@stmartha)..... is recommended because it gives a natural segregation so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

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

The council meets circa monthly.

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

Whilst we have not tested every single council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting.

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

Minutes are 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 NALC model and are dated 21<sup>st</sup> May 2015. **I recommend these are reviewed and updated at least annually.**

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

Financial regulations are based on the NALC model and are dated November 2017. 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.

A review of the financial regulations shows that the contents page does not accord to the detail of the report. There are also a number of square brackets manifest in the regulations which indicates that they have not been fully tailored to the council.

**I recommend these are reviewed and updated at least annually per financial regulation 19.1.**

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

I verified the following cashbook items had the proper verifications and could be agreed to the physical invoice.

08/12/20	Google Apps for Work 01/11/20 - 30/11/20	DD		36.80
03/12/20	NEST Pensions	DD		54.62
31/12/20	H. Wakeford _ W/Mem_ m'nce_Oct_Nov_Dec_20	1436	25.00	125.00
07/01/21	Clerks expenses	1437		51.88
16/02/21	Surrey Hills membership renewal	1438		25.00
	Clerk's expenses	1439		23.71
31/10/20	Hazelford Ltd. Clerk's net salary July, August & September 2020	£	1,158.85	

***Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £7.86 per elector.***

The council has no S.137 expenditure.

**Section Conclusion**

I am of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for", has been met.

## C. RISK MANAGEMENT & INSURANCE

### **Internal audit requirement**

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

#### **Recommended Minimum Testing**

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

I have confirmed that the Council has a valid insurance certificate. The Council reviews its insurance requirements as part of the renewal process. Money and asset cover appear adequate. The council has entered into a 5-year deal with Zurich minute ref 20/34 (April 2020)

The council has a simple risk register in place that details both operation and financial risks. This is entirely adequate for a council of this size.

#### **Section Conclusion**

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

**D. BUDGET, PRECEPT & RESERVES****Internal audit requirement**

*The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*

**Recommended Minimum Testing**

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

Full council approved the 2020/21 precept in its January 2020 meeting ref 20/10 (b). The 2021/22 precept was approved and discussed at a full council meeting on the 7/1/21 ref 21/04. The amounts shown within the minutes agree to the AGAR.

The minutes show regular discussion of budget reports

The council has £35,093 of reserves of which £22,000 are earmarked and £13,093 are general. In respect of general reserves, rule of thumb calculations would suggest that 50% of precept as adjusted for local conditions would be reasonable being circa £15k.

All significant variances to budget were explained satisfactorily.

**Section Conclusion**

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



## E. INCOME

### **Internal audit requirement**

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

#### **Recommended Minimum Testing**

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

The precept income was tested to the third party evidence provided to the auditor – there were no errors and this has been correctly shown in box 2 of the AGAR, with all other income in box 3.

Other income comprises VAT refund, grant and interest.

The VAT has been agreed to the submitted return and the individual line items reviewed.

There are no annual charges

#### **Section Conclusion**

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

F. PETTY CASH

**Internal audit requirement**

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

Not applicable – no petty cash

## G. PAYROLL

**Internal audit requirement**

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

**Recommended Minimum Testing**

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

The council uses an external firm to calculate the tax and national insurance. The council has fulfilled its obligations in respect of auto-enrolment and uses NEST.

The amounts shown on the AGAR, were reconcilable to the payroll records; however, I noted that expenses have been included within box 4 when they should be in box 6.

	2019/20	2020/21	
• salary	4,359	4,623	
• nest	631	676	
• HMRC	1,150	1,224	
• <b>Total</b>	<b>£6,140</b>	<b>£6,523</b>	
• SLCC sub	106	109	This is a box 6 item
• tel/BB	340	734	This is a box 6 item
• excess mileage	155	89	This is a box 6 item
• <b>Total per client</b>	<b>£6,741</b>	<b>£7,455</b>	

AGAR amounts revised

Box 4	£6,140	£6,523
Box 6	£3,900	£6,289

Monthly and year-end 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. The PAYE and NI liability are paid via the external firm.

I have tested the tax deduction and this is correct.

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

**Section Conclusion**

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

## H. ASSETS AND INVESTMENTS

### **Internal audit requirement**

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

#### **Recommended Minimum Testing**

##### Tangible Fixed Assets

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

##### Fixed asset investments

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

##### Borrowing and Lending

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

The council does not have any borrowing

The Council does not hold any long term investments i.e. over 1 year. Any addition to the asset register is normally with a cost value greater than £1,000.

The fixed asset register has been maintained in an Excel spreadsheet and agreed to the AGAR. The asset register was up to date with all relevant assets as at the current financial year end.

#### **Section Conclusion**

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

## I. BANK & CASH

### **Internal audit requirement**

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

#### **Recommended Minimum Testing**

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

At the year-end date the council had a reconciled bank position. I have reviewed the reconciliation there were no outstanding payments and no outstanding lodgements. I also tested the cut off and can confirm the payments and lodgements are shown in the correct year.

I can confirm the receipts and payments per the bank reconciliation agree to the underlying records and are correctly shown on the AGAR and certificate of exemption.

The council has three bank accounts. None of the accounts are long term investments and as such do not need to be disclosed in box 9 of the AGAR.

A review of the council minutes shows the council is correctly approving the bank reconciliation on a regular basis

#### **Section Conclusion**

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

## J. YEAR END ACCOUNTS

### Internal audit requirement

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

#### Recommended Minimum Testing

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

The council, at its meeting to sign off the year-end accounts, must discuss the Annual Governance Statement and record this activity in the minutes of the meeting. Based on the internal audit finding, I recommend using the table below as the basis for that discussion. THIS MUST BE A SEPARATE AGENDA ITEM TO THE SIGNING OF THE ANNUAL ACCOUNTS.

### Section 1 – Annual Governance Statement

	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>	<b>YES</b> – receipts & payments accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	<b>YES</b> – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	<b>YES</b> – the Clerk is experienced and advises the council in respect of its legal powers.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	<b>YES</b> – the requirements and timescales for 2019/20 year-end were followed.

5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	<b>YES</b> – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	<b>YES</b> – the council has appointed an independent and competent internal auditor 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 in the minutes.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	<b>YES</b> – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>N/A</b> – the council has no trusts.



## Section 2 – Accounting Statements

Agar Box Number		2019/20	2020/21	Auditor Notes
1	Balances brought forward	26,750	32,405	Agrees to 2020 cfwd
2	Precept or Rates and Levies	15,030	15,030	Agrees to third party evidence provided to auditor
3	Total other receipts	665	470	Agrees to underlying records
4	Staff costs	6,140	6,523	Agrees to underlying records – after amendment
5	Loan interest/capital repayments	0	0	Agreed no loans
6	All other Payments	3,900	6,289	Agrees to underlying records - after amendment
7	Balances carried forward	32,405	35,093	Casts correctly

8	Total value of cash and short term investments	32,405	35,093	Agrees to reconciliation
9	Total fixed assets plus long term investments and assets	38,369	38,369	Agrees to register
10	Total borrowings	0	0	Agreed no loans

11	For Local Councils Only) Disclosure note re Trust funds (including charitable)	YES	NO	No trusts
			✓	

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

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2019/20 AGAR.

The variance analysis was required because there were variances greater than 15% and £200. This was properly prepared on a summary table basis showing the financial elements and explanatory narrative.

**Section Conclusion**

I am of the opinion the control objective of “Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.”, has been met.

**K. LIMITED ASSURANCE REVIEW****Internal audit requirement**

*IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick “not covered”)*

**Recommended Minimum Testing**

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

The correct exemption certificate has been prepared and minuted in the June 2020 meeting ref 20/47(f)

The council has complied with the publication regulations and properly declared itself as exempt

**Section Conclusion**

I am of the opinion that the control assertion of *“IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick “not covered”).”* has been met.

**L: TRANSPARENCY****Internal audit requirement**

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

**Recommended Minimum Testing**

- This test applies only to those councils covered by the £25,000 External Audit exemption
- IAs should review the Authority’s website ensuring that all required documentation is published in accordance with the Transparency Code.

As the council has an annual turnover not exceeding £25,000, it is required to publish the required information in accordance with the Transparency Code for Smaller Authorities.

A review of the council website [www.stmarthaparishcouncil.co.uk](http://www.stmarthaparishcouncil.co.uk) shows the following:

- **Expenditure over £100** – published under the finance tab on the website.
- **End of year accounts** – published under the finance tab on the website.
- **Annual Governance Statement** - published under the finance tab on the website.
- **Internal Audit Report** – published under the finance tab on the website.
- **Councillor responsibilities** – published under the councillors tab on the website.
- **Details of public land and buildings** – published under the finance tab on the website.
- **Minutes, agendas and meeting papers of formal meetings** – these are published on the agendas and meetings tab, with links to agendas, minutes and additional documents for each meeting.

**Section Conclusion**

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

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

The authority, during the previous year (2019-20) 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).

**Recommended Minimum Testing**

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

Due to the Covid 19 outbreak during the 2020/21, the statutory deadlines had been changed for the 2019/20 AGAR as follows:

The publication date for final, audited, accounts was moved from the 30 September to 30 November 2020 for all local authority bodies. To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of July was removed. Instead, local authorities must have commenced the public inspection period on or before the first working day of September 2020.

This meant that 2019/20 draft accounts must have been approved by 31 August 2020 at the latest.

Authorities must publish the dates of their public inspection period, and given the removal of the common inspection period and extension of the overall deadlines for this year, it is recommended that all authorities provide public notice on their websites when the public inspection period would usually commence, explaining why they are departing from normal practice for 2019/20 accounts.

The regulations (SI 2020/404 The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020) implementing these measures were laid on 7 April 2020 and came into force on 30 April 2020.

The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 require that the statement of accounts prepared by the authority (i.e. the Annual Governance & Accountability Return (AGAR) Part 2), the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested, during a period of 30 working days set by the smaller authority and including the first 10 working days of July.

<b>Inspection - Key date</b>	<b>2018/19 Actual</b>	<b>2019-20 Proposed</b>
<b>Accounts approved at full council</b>	17 <sup>th</sup> June 2020	22 <sup>nd</sup> June 2021
<b>Date Inspection Notice Issued and how published</b>	12 <sup>th</sup> June 2020	25 <sup>th</sup> June
<b>Inspection period begins</b>	15 <sup>th</sup> June 2020	28 <sup>th</sup> June
<b>Inspection period ends</b>	24 <sup>th</sup> July 2020	6 <sup>th</sup> August
<b>Correct length</b>	Yes	yes
<b>Common period included?</b>	N/A	yes
<b>Summary of rights document on website?</b>	<b>Attached to inspection announcement</b>	<b>Attached to inspection announcement</b>

**Section Conclusion**

I am of the opinion that the control assertion of *“The authority, during the previous year (2019-20) 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):”* has been met.

## N. PUBLICATION REQUIREMENTS

### **Internal audit requirement**

The authority has complied with the publication requirements for 2019/20 AGAR. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

#### **Recommended Minimum Testing**

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

Before 1 July 2021 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- Section 1 - Annual Governance Statement 2020/21, approved and signed, page 4
- Section 2 - Accounting Statements 2020/21, approved and signed, page 5

Not later than 30 September 2021 authorities must publish:

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

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

I have reviewed the council website and am under no doubt that the council complies with the publication requirements as set out above.

#### **Section Conclusion**

I am of the opinion that the control assertion of "The authority has complied with the publication requirements for 2019/20 AGAR. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:" has been met.

## O. TRUSTEESHIP

### **Internal audit requirement**

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

Not applicable No trusts.

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

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Mulberry', with a long horizontal flourish extending from the end of the name.

**Mark Mulberry**

**Points Forward**

Audit Point	Audit Findings	Council comments
Payroll/other payments	Amendment need to both years on the AGAR to reallocate payments shown in error in box 4	
Financial regulations	16.1 references to 17 in error – this should be 18	
Standing orders & financial regulations	These should be reviewed annually	