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Mrs V Ricketts
Highcliffe & Walkford Parish Council
The Old School
254 Lymington Road
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BH23 5ET

1 October 2025

Dear Vanessa

Re: Highcliffe & Walkford Parish Council
Internal Audit for Financial Year Ended 31 March 2026 – Interim Audit report

Executive summary
Following completion of our final internal audit on 1 October 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 Highcliffe & Walkford 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 2025/26 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.

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A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been kept properly during the year.

Audit findings

The audit was conducted on site with the Clerk, who also acts as the council's Responsible Financial Officer (RFO). The Clerk joined the council in July 2025 and is an experienced local government officer. The Clerk had prepared the information advised in advance of the visit, and overall, 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.highcliffewalkford-pc.gov.uk

The council uses the Scribe accounting package for recording the council's finances. This is a widely used accounting package in the local council sector. The accounting package is updated regularly and used to produce management information reports for review at council meetings.

I note the Clerk is in the process of reviewing and updating the councils' policies and governance processes. It is evident from the work completed so far, that this will ensure the council has a sound basis for operating in future and will underpin informed decision making.

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 External Auditor's Report for 2024/25 was qualified, with the External Auditor stating, *'Based upon the control weaknesses identified by the internal auditor, we would expect the answer for assertion 1 to be 'no', as the council has failed to put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.'*

The External Auditor's Report and Certificate has been published on the council website along with the Notice of Conclusion of Audit and is an agenda item for reporting to the council meeting scheduled for 8 October 2025.

Under other matters, the External Auditor noted *'The smaller authority does not appear to have a system in place that considers income and expenditure powers when making decisions or payments. The authority needs to have robust procedures in place to prevent any decisions or payments being made that are ultra vires.*

Payments were authorised under s137 of the Local Government Act 1972. Section 137 of the Local Government Act 1972 gives smaller authorities the ability to spend a limited amount of money for purposes for which they have no other specific statutory power. It allows smaller authorities to spend money on projects they believe will benefit some or all of their residents. A number of payments could have been authorised under other statutory powers.

To be in line with best practice we recommend that when minuting the appointment of the internal auditor, the council record they have considered the independence of the appointed auditor on an annual basis.'

I note the council received and considered the previous internal auditor report at the council meeting held in May 2025 (minute ref 18).

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms.

The council website includes a councillor page where the individual Register of Members' Interests forms are published.

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 Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's Guide (March 2025) contains updated guidance on the matter as below, including details of the new Governance Assertion to be included in the 2025/26 AGAR:

Assertion 10 - Digital and data compliance

To warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com for example.

1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable).

1.50 All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency Code for Smaller Authorities (where applicable).

1.51 All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

1.53 The DPA 2018 supplements the GDPR and classifies an authority as both a Data Controller and a Data Processor.

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.

The council has a Privacy Notice, Website Accessibility Statement, FOI Publication Scheme and IT Policy on its website, with the FOI Publication Scheme due to be reviewed and updated at the October council meeting. The council has in place all the requirements to be able to confirm its compliance with Governance Assertion 10.

Confirm that the council is compliant with the relevant transparency code
As the council's income and expenditure exceeds £25,000, it is not a statutory requirement to follow the requirements of the Local Government Transparency Code, although it is recommended best practice to do so.

Confirm that the council meets regularly throughout the year
In addition to full council, the council has a committee structure in place. Terms of reference for each committee and sub-committee are published on the council website.

A diary of future meeting dates is also published on the council website, along with historic agendas and minutes for council and committee 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 since the new Clerk started, the non-confidential supporting papers are published on the council website in accordance with the requirements of the Information Commissioner's Office.

Check the draft minutes of the last meeting(s) are on the council's website
Draft minutes are uploaded to the council website and clearly annotated as draft.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months
The Standing Orders are based on the current NALC model and were most recently reviewed and adopted by council in May 2025 (minute ref 13).

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations
Financial Regulations are based on the current NALC model and were last reviewed and adopted by council in May 2025 (minute ref 13). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

Check that the council's Financial Regulations are being routinely followed
The council has thresholds in place at which authorisations to spend must be obtained as below:

FR 5.15 Individual purchases within an agreed budget for that type of expenditure may be authorised by:

- *the Clerk/RFO under delegated authority, for any items below £1,000 excluding VAT.*
- *the Assistant Clerk, under delegated authority, for any items below £500 excluding VAT.*
- *the Clerk/RFO in consultation with the Chair of the Council, for any items below £5,000 excluding VAT.*

• a duly delegated committee of the council for all items of expenditure within their delegated budgets for items under £10,000 excluding VAT.

• in respect of grants, in accordance with any policy statement agreed by the council.

• the council for all items over £10,000

Such authorisation must be supported by a minute (in the case of council or committee decisions) or other auditable evidence trail.

FR 5.18. In cases of serious risk to the delivery of council services or to public safety on council premises, the Clerk/RFO may authorise expenditure of up to £2,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk/RFO shall report such action to the Chair as soon as possible and to the council as soon as practicable thereafter.

Based on the level of financial activity of the council, and through discussion with the Clerk, these authorisation thresholds appear appropriate although **I note that there is an inconsistency within the Financial Regulations as FR 6.9ii refers to the '*In cases of serious risk to the delivery of council services or to public safety on council premises*' threshold as £5,000 and this should be corrected to ensure the amounts are the same.**

I tested a sample of invoices and was able to confirm that amounts have been properly authorised in accordance with the adopted Financial Regulations, and payment lists are appended to the minutes of relevant meetings with the minutes recording the approval of such and are signed as per the Financial Regulations. I confirmed entries to the bank statement for June match the presented payments list.

Confirm the council has adopted the General Power of Competence (GPC) and met the eligibility criteria at the time of adoption, or if GPC not adopted, confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £11.10 per elector

The council does not meet the criteria for adopting the General Power of Competence (GPC). Section 137 expenditure is within the allowable threshold at the date of the interim audit.

Check receipt of VAT refund matches last submitted VAT return

I reviewed the submission for the period which showed a refund amount due of £3,230.95 and was fully supported by the required details.

Confirm that checks of the accounts are made by a councillor

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

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

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

Audit findings

The council'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/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/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 Risk Register, which was last reviewed and approved by council in May 2025 (minute ref 18) and is published on the council website.

The risk register breaks down the potential risks into different areas of the council's business, specifies the actual risk outlining what would happen in no controls were in place, assigns a risk score based on the impact and probability of occurrence, details the mitigation controls in place and then reassesses the score based on the actions taken.

This is a suitable approach and includes analysis of all risks typically associated with a council of this size with its range of services and facilities.

I confirmed that the council has a valid insurance policy in place with Zurich Insurance which covers the year under review. The policy includes Public Liability cover of £12 million, Employers Liability cover of £10 million and a Fidelity Guarantee level of £1 million which is sufficient for a council of this size.

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 £224,000 for 2025/26. With a tax base of 6,816.30, this equates to a band D equivalent of £32.86 (compared to the average in England of £92.92).

The Clerk confirmed that the 2026/27 budget setting process is just about to begin, with a review of half-yearly performance being conducted at the October council and Amenities Meetings. The Amenities Committee will discuss their proposals, and this will then go to the council to review and formulate a draft budget proposal. This will then be approved in January 2026 along with the precept.

The Clerk is putting in place a process for a quarterly review of budget performance which will provide councillors with sufficient financial information to make informed decisions.

The information on the accounting package relating to reserves is unclear, as the previous year's balances do not appear to have been correctly carried forward. The Clerk will investigate this and a review of the earmarked and general reserves will be conducted at the final internal audit.

The Smaller Authorities Proper Practices Panel (SAPPP) 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.

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 sources.

From a review of the accounting records, income appears to be recorded with sufficient narrative detail to identify the source and allocated to the most appropriate nominal code.

FR 13.2 states *'The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk/RFO. The Clerk/RFO shall be responsible for the collection of all amounts due to the council.'*

I note that a review of the fees and charges are included on the October council agenda.

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 the authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

The council has two employees on the payroll. All staff members have a signed contract of employment, based on the NALC template, and the council is about to join the Local Government Pension Scheme (LGPS).

Payroll is processed is outsourced to a third party, who complete all the PAYE calculations and provide the information to the Clerk each month. I reviewed the payroll summary for the year to date, and the payroll deductions appear correct. I was able to confirm HMRC, and pensions payments are up to date and that the council is correctly not claiming the employment allowance for national insurance contributions.

There are no councillor allowances, although the Clerk is aware if paid to eligible (elected) members, these must be processed through payroll and assessed for tax and national insurance.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on assets and asset registers as below:

5.58 The asset register should contain in its most simple form the date of acquisition, cost of acquisition, useful life estimate and location along with value held for investments; however, it is desirable for the register to contain other such supplementary information to enable the user to better understand the nature and scope of the use of the fixed asset. It is therefore recommended to show insurance value, replacement value, custodian, date last physically vouched.

5.59 Each authority may choose an appropriate minimum value for deciding between fixed assets and general consumables. The limit chosen will relate to expected useful life, whether the item would be included on an insurance claim and whether it is included in the risk assessment of the authority in any way. This minimum level is to be minuted and reviewed at least annually. The rationale and methodology should be recorded in the minutes.

5.60 One item or group of similar items shall be regarded for inclusion in the fixed asset register.

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

5.62 Assets that are either under construction or have not been brought into use should be included on the asset register only once complete and they benefit the community.

5.63 Obsolete assets that are no longer in use or are awaiting disposal should be clearly recorded as such.

5.64 Where an authority receives an asset as a gift at zero cost, for example by community asset transfer, it should be included with a nominal one-pound (£1) value as a proxy for the zero cost.

5.65 Assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial) are often referred to as 'community assets'. Authorities should record community assets in the asset register in the same way as gifted assets.

5.66 The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.

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

5.68 Commercial concepts of depreciation, impairment adjustments, and revaluation are not required nor appropriate for this method of asset valuation.

5.69 The total value of an authority's assets recorded on the asset register as at 31 March each year is reported at Line 9 on the authority's AGAR. Authorities should be able to track and explain fully any changes in the asset register from year to year.

The council has a fixed asset register in place, which is maintained within the accounting software. This provides a description of each asset, the date of acquisition, purchase value, current value, location, estimated life and usage information. Assets are correctly listed at cost/proxy cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register.

I confirmed by sample testing of the invoice for the printer/scanner that items added during the year have been accurately recorded as the original net purchase price.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on investments, and defines a long-term investment as below:

2.23 Short-term investments, which mainly include deposit and savings accounts typically provided by banks, are those that display the following characteristics:

a. are denominated in pounds Sterling;
b. be realisable at full value on demand or have a maturity end date of not more than 12 months;
c. the whole of the original sum invested can, from the time that the investment is made, be accessed for use by the authority without any reduction; and
d. the authority has assessed the counterparty and is satisfied that the original sum invested is not subject to unreasonable risk.

2.26 A long-term investment arises where the authority invests money in anything other than a short-term investment.

1.11 Arrangements need to be in place to ensure that the authority's funds are managed properly and that any amounts surplus to requirements is invested appropriately, in accordance with an approved strategy which needs to have regard to the government's Statutory Guidance on Local Government Investments. If total investments are to exceed the threshold specified in the statutory guidance at any time during a financial year, the authority needs to produce and approve an annual Investment Strategy in accordance with the guidance.

I note that the council has a Treasury Management Policy, which was adopted in 2020. Within the policy, it states that *'To ensure maximum security all investment will be with institutions covered by the Financial Services Compensation Scheme and will not exceed the scheme's limit (presently £85k) with any institution.'*

The council has no long-term investments, but I recommend that the Treasury Management Policy is reviewed and updated as the council currently holds funds with CCLA who are not covered by the Financial Services Compensation Scheme. I also recommend that the policy is renamed Investment Policy in line with recommended best practice.

The council has no borrowing through the PWLB.

I. BANK AND CASH

Internal audit requirement

Periodic bank account reconciliations were properly carried out during the year.

Audit findings

Financial Regulation 2.6 states *'At least once in each quarter, and at each financial year end, a member other than the Chair or a cheque signatory shall be appointed to verify bank reconciliations for all accounts produced by the Clerk/RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.'*

Bank reconciliations are completed monthly and presented to the council for review. I reviewed the August 2025 bank reconciliation for all accounts and was able to confirm the balances to the bank statements and found no errors.

I was able to confirm that the bank reconciliations have been verified, although this has been done by the Chair which is not in accordance with Financial Regulations and the council may wish to amend FR 2.6 accordingly. There is evidence of this activity taking place is recorded within the minutes of meetings.

As the council's annual budget is below the €500,000 (£430,950 as of 3 July comparative date) threshold, it is protected by the Financial Services Compensation Scheme (FSCS).

The council holds two accounts with Unity Trust and retains surplus funds in the CCLA. The CCLA is not covered by the Financial Services Compensation Scheme, although it is widely used across the sector. Balances with Unity Trust are within the £85,000 protection limit at the date of the interim audit.

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), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.

Audit findings

To be tested at the final internal audit.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

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.

Audit findings

The council did not certify itself exempt in 2024/25 due to exceeding the income and expenditure limits and this test does not apply.

L: PUBLICATION OF INFORMATION

Internal audit requirement

The authority publishes information on a free to access website/webpage, up to date at the time of the internal audit in accordance with relevant legislation

Audit findings

The council is reminded that the following requirements apply.

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.

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)

(c) 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

(d) the Annual Governance Statement approved in accordance with regulation 6(3)

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

(c) keep copies of those documents for purchase by any person on payment of a reasonable sum; and

(d) 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.

Testing for publication to meet this requirement will be completed at the final internal audit.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority, during the previous year, correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2024/25 Actual
Date AGAR signed by council	14 May 2025
Date inspection notice issued	15 May 2025
Inspection period begins	3 June 2025
Inspection period ends	14 July 2025
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

I am satisfied the requirements of this control objective were met for 2024/25, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the council.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority complied with the publication requirements for the prior year AGAR.

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2025 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 2024/25, approved and signed, page 4*
- *Section 2 - Accounting Statements 2024/25, approved and signed, page 5*

Not later than 30 September 2025 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 2025.

I was able to confirm that the Notice of Conclusion of Audit and External Auditor Report and Certificate were published on the council's website before 30 September 2025.

The council has therefore met the publication requirements for 2024/25 have been met.

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 audit, 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 the 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), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	To be tested at final internal audit		
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.			✓
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 the relevant legislation.	To be tested at final internal audit		
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.	✓		
N	The authority complied with the publication requirements for prior year 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@mulberrylas.co.uk or 07428 647069.

Yours sincerely



Andy Beams
Director, Mulberry Local Authority Services Ltd

Interim Internal Audit - Points Carried Forward

Audit Point	Interim Audit Findings	Council comments
B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	I note that there is an inconsistency within the Financial Regulations as FR 6.9ii refers to the '*In cases of serious risk to the delivery of council services or to public safety on council premises'* threshold as £5,000 and this should be corrected to ensure the amounts are the same.	
H. ASSETS AND INVESTMENTS	I note that the council has a Treasury Management Policy, which was adopted in 2020. Within the policy, it states that *'To ensure maximum security all investment will be with institutions covered by the Financial Services Compensation Scheme and will not exceed the scheme's limit (presently £85k) with any institution.'* The council has no long-term investments, but I recommend that the Treasury Management Policy is reviewed and updated as the council currently holds funds with CCLA who are not covered by the Financial Services Compensation Scheme. I also recommend that the policy is renamed Investment Policy in line with recommended best practice.	
I. BANK AND CASH	I was able to confirm that the bank reconciliations have been verified, although this has been done by the Chair which is not in accordance with Financial Regulations and the council may wish to amend FR 2.6 accordingly.	