MULBERRY & CO
Chartered Certified Accountants
& Chartered Tax Advisors
9 Pound Lane
Godalming
Surrey, GU7 1BX
t + 44(0)1483 423054
e office@mulberryandco.co.uk
w www.mulberryandco.co.uk

Our Ref: MARK/HUR003

Miss S Groom
Hurstpierpoint & Sayers Common Parish Council
Trinity Road
Hurstpierpoint
West Sussex
BN6 9UY

3rd October 2023

Dear Sarah,

Re: Hurstpierpoint & Sayers Common Parish Council
Internal Audit Year Ended 31 March 2024 – Interim Audit report

Executive summary

Following completion of our interim internal audit on 3rd 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 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, who also acts as the council's Responsible Financial Officer (RFO). The Clerk had prepared the information advised in advance of the visit, and 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 https://www.hurstpierpoint-pc.gov.uk/

Our sample testing did not uncover any errors or misstatements that are required to be reported 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.

The councillors and clerk appear to be well informed with evidence showing that councillor & clerk training has taken place. Communication between the office and councillors is professional and business like.

There is evidence of council taking measured decisions using the reports and financial information provided by the clerk. It is therefore clear the council takes governance, policies and procedures seriously and I am therefore pleased to report that overall, the systems and procedures you have in place are fit for purpose.

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 our opinion that the systems and internal procedures at Hurstpierpoint & Sayers Common Parish Council are fit for purpose and more importantly followed by councillors and office staff alike.

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
- There has been no instance of high staff turnover

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

Table of contents –

		TEST AT INTERIM	TEST AT FINAL	PAGE
A	**BOOKS OF ACCOUNT**	✓		4
B	**FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS**	✓		5
C	**RISK MANAGEMENT AND INSURANCE**	✓		7
D	**BUDGET, PRECEPT AND RESERVES**	✓	✓	7
E	**INCOME**	✓		8
F	**PETTY CASH**	✓	✓	8
G	**PAYROLL**	✓	✓	9
H	**ASSETS AND INVESTMENTS**	✓	✓	9
I	**BANK AND CASH**	✓	✓	19
J	**YEAR END ACCOUNTS**	✓	✓	10
K	**LIMITED ASSURANCE REVIEW**	✓		12
L	**PUBLICATION OF INFORMATION**	✓		12
M	**EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS**	✓	✓	13
N	**PUBLICATION REQUIREMENTS**	✓		13
O	**TRUSTEESHIP**	✓		13
	ACHIEVEMENT OF CONTROL ASSERTIONS AT INTERIM AUDIT DATE			14
	INTERIM AUDIT POINTS CARRIED FORWARD			15

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 RBS Rialtus 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 daily to report on and record the financial transactions of that of the Council. There is one user, the Clerk/RFO with their own individual logon. **The council does have assistant clerks and I would recommend another individual is trained to access the system.**

Every month, a "month end" close down is performed by the Clerk, various reports are printed and filed in hard copy, these include but are not limited to, income and expenditure against budget, bank reconciliations and other reports as fit. I was given access to the hard copy prints, and I confirm this process does take place and that this is signed off by councillors.

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 cashbook shows that all data fields are being entered, the reports are easy to read and logically filed.

My walk-through audit testing of a receipt and different types of payment chosen at random from month three, showed that supporting documentation could be easily located from the hard copy records.

1. 1/6/23 Mulberry & Co £96 – NL 5170 – Paid by Bacs
2. 5/6/23 SSE Scottish Hydro £88.14 – NL 5011 – Paid by DD
3. 29/6/23 Petty Cash £162 – Petty cash reimbursement to clerk
4. 6/6/23 Kiddie Kapers £1,499.61 inv KC058
5. 29/6/23 Parking Disks £145 – cash paid in

I make no recommendation to change in this system.

I tested the opening balances as at 1/4/23 by reviewing the balance brought forward on the receipts page on the RBS accounting package for cashbook six and confirmed it could be agreed back to the investment reconciliation for the audited accounts for 2022/23; both documents showed £28,343. There were no errors.

I reviewed the nominal ledger entries for the period 1st April to 30th September to ensure items were posted to the correct heading and that there were no instances of netting off and the expenditure was correctly posted to the headings to which the line item related. This has confirmed that the accounting package is being properly used.

I also tested the trial balance and can confirm this balances at the audit date.

The Council is not VAT registered and the last S126 VAT reclaim was for the period ended 30th September 2023, which showed a refund position of £6,749.48. The June refund of £16,488.63 was received on the 26/7/2023 as evidenced to bank statements and cashbook.

The copies of the RBS monthly prints show that the council is using the system in such a way that the nature and scope of the transactions can be understood.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change. I am of the opinion that the council keeps appropriate records and uses the systems for the purpose for which they are intended.

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.

External auditors report was not qualified in 2022/23 and is published on the council website. The notice of conclusion has also been published as well. This will be taken to full council 26th October 2023. Evidence was also noted in the minutes of the internal auditor's report being reviewed and accepted. Minute ref C23/24.019

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". **Councillors will need to sign a notice "to receive information by electronic means", in line with regulations.**

There are links on the council website to each councillor's biography and register of interests.

Confirm that the Council is compliant with the GDPR.

As council is aware of GDPR and has a clearly defined and accessible privacy notice on its website. It was noted the Council has common email addresses which is best practice, a common email system such as cllr.name@Hurstpierpoint & Sayers Common........ 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

In addition to full council, the council has a number of committees and working parties as listed on the website. Full council approved the various schemes of delegation in its May 2023 meeting.

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 no S.137 expenditure.

General Power of Competence: Under the provisions of the Localism Act 2011, the General Power of Competence (GPC) can be adopted by qualifying councils, which enable them to exercise more powers than conventional councils. In broad terms a GPC council 'may do anything that an individual may generally do'. Examples are the purchase and operation of a local shop or providing affordable housing.

In May 2023 the council confirmed [minute ref C23/24.014]. The Clerk had CiLCA qualification, including the Section 7 pass, and together with other criteria, Council met the necessary requirements to adopt the GPC.

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

The Clerk 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. The agendas contain all background information in easily downloadable links. These also meet accessibility regulations.

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

Minutes are uploaded to the council website. The web site copies are accessible and marked as draft. A review of the official minute book showed that minuted are signed or initialled on every page and agreed to the website copy.

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 in the full council meeting on the 18th May 2023.

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 in the full council meeting on the 18th May 2023.

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 regulation 2.2 deals with bank reconciliations, the council is performing a monthly bank reconciliation for all accounts, and this is signed & minuted in accordance with regulations.

Financial regulation 3 deals with Annual estimates (Budget) and Forward planning. Budget monitoring reports are presented to full council at each meeting having been reviewed by the finance committee. The reports are logically presented with both summary and detailed narrative. I reviewed the August report and minutes and can confirm that councillors are well informed and take an active role in reviewing the financial reports and that this is minuted.

Financial regulation 4 deals with budgetary control and authority to spend. *FR 4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by: • the council for all items over £10,000; • a duly delegated committee of the council for items between £3,000 and £10,000; or • the Clerk, in conjunction with Chairman of Council or Chair of the appropriate committee, for any items below £3,000 subject to the Clerk having delegated powers to authorise urgent repairs to Council owned property up to a value of £250 (net of VAT).*

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman. Contracts may not be disaggregated to avoid controls imposed by these regulations..

FR 4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council (or duly delegated committee). During the budget year and with the approval of the council (or duly delegated committee) having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

FR 4.3 Individual committees are empowered to manage their own budgets, including virements within budget lines under their control. For expenditure items above £10,000, or those which will cause a committee to exceed its annual budget, payment should be deferred until approval is given by council (or duly delegated committee).

FR 4.7 In cases of extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £3,000. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

Financial Regulation 11.1H sets out the de-minimis limit for the competitive purchase of goods and services is as listed below.

- £25,000 + Tender Process
- £3,000 - £25,000 3 quotations are required.
- £100 - £3,000 – estimates
- £0- £100 – power to spend

I reviewed the nominal ledger for the period 1st April to 31st August and noted the following expenditure items above £3,000 and for fixed assets

1. £17,713 on the 31/5/2023 for Play area surface – Min ref C22/23.138.2.(Ii)
2. £3,550 on the 22/5/2023 for tree works ref WO10.2023/24
3. £9,740 on the 23/08/2023 for repair to flint Wall
4. £35,975 on the 26/04/2023 car park resurface
5. £3,947.24 on the 18/9/2023 for 3 of notice boards

The clerk was able to demonstrate quotations had been obtained and where applicable briefing notes presented to council for consideration. The minutes of the council meetings are clear and unambiguous and clearly demonstrate councils measured decision making processes.

Financial Regulation 5 deals with authorisation of payments. *FR 5.4 The RFO shall prepare a schedule of payments, forming part of the agenda for the meeting and present the schedule to the Finance & Governance Committee. The Committee shall review the schedule for compliance and, having satisfied itself, shall note the payments by a resolution of the Finance & Governance Committee. The detailed list of all payments shall be disclosed as an attachment to the agenda of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.* .

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit, and bacs. The system in place is routinely followed and a review of the payments file showed all summaries are signed and invoices verified. There is no doubt payments are properly reported to council, approved and the physical payment authorised.

In conducting our walk-through testing, we were able to verify entries from the cashbook to the payments list. The payments list was agreed to the bank payment list and evidence of sign off was noted. We were further able to agree entries on the payments list to the physical invoice. This is a very robust system with evidence of segregation of duties and hierarchical review. I am under no doubt the council is properly processing invoices for payment.

Confirm that checks of the accounts are made by a councillor.
The system noted above details internal review takes place and councillor, committee and council level. I am under no doubt that council properly approves expenditure.

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

The council has a comprehensive risk management process in place, the financial risk assessment was last reviewed by council in May 2023. I reviewed the policy and the risk assessment record, which details the types of risk identified, who might be harmed and how, assigns a perceived risk level, records action taken and how the risk is managed. This type of approach is suitable for a council of this size and demonstrates that the council takes its risk management responsibilities seriously.

I confirmed that the council has a valid insurance policy in place with Aviva, with the long term renewal date of May 2024. The policy includes Public Liability cover of £10 million, Employers Liability cover of £10 million. The fidelity guarantee /money cover is £500,000.

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 2023/24 council year in its December 2022 meeting. Minute ref [C22/23.115].

I confirmed the 2024/25 budget setting process was diarised with precepting deadlines achievable. The clerk is aware of the deadlines.

The Clerk presents regular budget outturn reports to finance committee. I reviewed the August 2023 report and can confirm the report is sufficiently detailed for a council of this size.

The Council has well developed published reserves policy. At the 30th September 2023, the council had £636k in combined reserves, of which £398k is earmarked (of which £297k is hurst meadows s.106) leaving £238k in general reserves.

I estimate net revenue expenditure to be in the region of £250k per annum, rule of thumb calculations would indicate that a general reserves balance of circa £60 to £250k as adjusted for local conditions would be reasonable. The councils general reserve is within 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

The council has various streams of income, the precept has been received in full and can be verified to the cashbooks and physical bank statements and the application for payment.

Annual charges for 2023/2024 were reviewed and minuted (Minute C22/23.102)

I also reviewed the nominal ledger for evidence of netting off and significant journal entries, the individual entries were in accordance with the heading under which they were posted and corrections/transfers where evident were bonafide. We found no evidence of breaches of financial regulations in the sample testing completed.

Apart from the precept, the council's other primary income sources are from Court Bushes lettings, the cemetery and allotments. The precept income was tested third party evidence – there were no errors. Walk through testing showed receipts can be traced back to the underlying source documentation.

The council is not VAT registered and there is no indication that it should be.

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 a petty cash float of £200, used for incidental expenditure items. I checked the physical cash and outstanding receipts and was able to confirm the balance as correct.

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

Payroll continues to be processed and fully administered by West Sussex CC.

Employees are paid with reference with NJC scales for consistency purposes. Monthly PAYE and NI deductions are the responsibility of and submitted by West Sussex CC.

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

Pay increases are discussed at council and appropriately minuted.

I tested the tax for an employee – there were no errors.

Payroll files are correctly kept in a locked cabinet.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The council has a detailed fixed asset register in place, broken down into sections containing land and buildings, street furniture, equipment, etc. The register contains asset values, replacement costs and insurance values.

The council has no PWLB borrowing.

The Council holds long term investments i.e. over one year. The £102,826.36 of CCLA Shares are listed on the asset register at 30 August 2023.

Per financial regulation 13.4 "The RFO shall be responsible for periodic checks of stocks and stores at least annually." I was pleased to see the register contained details of the last physical inspection.

Financial Regulation 14.5 & 14.2 deals with the purchase of tangible fixed assets in excess of £250. FR 14.5 *Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.*

On the 18/4/2023 the council purchased coronation bunting for £457.00, this is in excess of the fixed asset threshold but below all other thresholds for quotations and estimates. Whilst the clerk certainly discussed this with the committee chair, and full council agreed to the purchase on the 24th November 2022 [min c22/23.103], no written business case was presented. I remind council to review the requirement of these regulation.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial regulation 2.2 states 'On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance & Governance Committee.'

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. I am also able to confirm that the reconciliations and the face of the bank statements are physically signed.

As the council's budget does not exceed €500,000, it does benefit from protection from the Financial Services Compensation Scheme (FSCS). It is clear the council carefully considers its banking arrangements and has an adopted Investment Strategy in place, this was updated in February 2023.

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

	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.	*prepared its accounting statements in accordance with the Accounts and Audit Regulations.*	**YES** – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	*made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*	**YES** – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*	**YES** – 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.	*during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*	**YES** – the requirements and timescales for 2022/23 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.	*considered and documented the financial and other risks it faces and dealt with them properly.*	**YES** – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	*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.*	**YES** – 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.	*responded to matters brought to its attention by internal and external audit.*	**YES** – 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.	*disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*	**YES** – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability	*has met all of its responsibilities where, as a body corporate, it is a sole*	**Yes** – the council has fulfilled its obligations

	responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	*managing trustee of a local trust or trusts.*	

Section 2 – Accounting Statements

AGAR box number		2021/22	2022/23	Auditor notes
1	Balances brought forward	470,037	515,000	Agrees to 2021/22 carry forward (box 7)
2	Precept or rates and levies	264,520	281,608	Figure confirmed to central records
3	Total other receipts	312,016	97,344	Agrees to underlying records – prior year included easement and cil monies
4	Staff costs	151,406	164,646	Agrees to underlying records
5	Loan interest/capital repayments	10,204+147,335 =157,539	0	Verified against PWLB records Prior year restated
6	All other payments	369,963-147,335 = 222,628	231,670 + 5.63 = 231,676	Agrees to underlying records Prior year restated and correction to interest
7	Balances carried forward	515,000	497,636 -5.63 = 497,630	Casts correctly and agrees to balance sheet

8	Total value of cash and short-term investments	509,655	495,024 – 5.63 = 495,019	Agrees to bank reconciliation
9	Total fixed assets plus long- term investments and assets	585,340	678,161	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)	✓			*The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.*
11b	Disclosure note re Trust Funds (including charitable)	✓			*The figures in the accounting statements above do not include any Trust transactions.*

The year-end accounts have been correctly prepared on an income and expenditure basis. The box 7 and 8 reconciliation has been completed using the RBS information.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2021/22 AGAR. Figures have been verified against underlying accounting records where appropriate.

The variance analysis has been correctly completed with sufficient detail to explain the changes over 15% compared to the previous year's totals.

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 has income and expenditure in excess of £200,000 and as such is required to follow the "Local Government Transparency Code 2015" which is recommended practice not a statutory requirement.

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

Expenditure exceeding £500	On the website
Government Procurement Card transactions	On the website
Procurement information	On the website

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

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

I have reviewed the website and can confirm the council has a very robust and easy to follow transparency page, up to date at the time of the interim audit. This practice is to be recommended.

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	18/05/2023
Date inspection notice issued	4 June
Inspection period begins	5 June
Inspection period ends	14 July
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 2022/23, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

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 Parish Council is sole managing trustee of the Hurstpierpoint Village Centre Charity number: 305265. The charity provides public space for hire to the community of Hurstpierpoint and the surrounding area. The accounts for March 2022 were filed on time, March 2023 are outstanding at the interim audit date.

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.

	INTERNAL CONTROL OBJECTIVE	**YES**	**NO**	**NOT COVERED**
A	Appropriate accounting records have been properly kept throughout the financial year	✓		
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	✓		
C	This authority assesses the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	✓		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for	✓		
G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H	Asset and investments registers were complete and accurate and properly maintained.	✓		
I	Periodic bank account reconciliations were properly carried out during the year.	✓		
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K	If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")*			✓
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 *(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).*	✓		
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

M Mulberry

<u>Mark Mulberry</u>
For Mulberry & Co

Interim Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
Risk	The council does have assistant clerks and I would recommend another individual is trained to access the RBS system to reduce the risk of a single user system.	
Governance	Councillors will need to sign a notice "to receive information by electronic means", in line with regulations.	
Fixed Assets	On the 18/4/2023 the council purchased coronation bunting for £457.00, this is in excess of the fixed asset threshold but below all other thresholds for quotations and estimates. Whilst the clerk certainly discussed this with the committee chair, and full council agreed to the purchase on the 24th November 2022 [min c22/23.103], no written business case was presented. I remind council to review the requirements of financial regulation 14	