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Our Ref: MARK/ETC001

Mrs P Barton
Etchingham Parish Council
Etchingham Village Hall
Parsonage Croft
Etchingham
TN19 7BY

15 June 2022

Dear Paulette

Re: Etchingham Parish Council
Internal Audit Year Ended 31 March 2022

Executive summary

Following completion of our internal audit on 15 June 2022, 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. However, there are some identified areas of procedures which require attention.

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 although my report may contain recommendations to change to support improvement, and to return to a regime of regular updating and approval of policies and procedures.

It is therefore our opinion that the systems and internal procedures at Etchingham Parish Council are in need of some improvements.

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 & 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 12 years specialising in local government.

Engagement Letter

An engagement letter was issued to the council covering the 2021/22 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.

- There have been no 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

At the audit date, 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

Audit findings

The council uses Excel as a day-to-day accounting package. The system is used regularly to report on and record the financial transactions of the council. Although Excel is a suitable method for a council of this size, there have been some issues with the recording of the data, and I encourage the council to investigate whether an accounting software package would be of benefit to the council.

The audit was conducted remotely. The Clerk forwarded requested information for review prior to a scheduled telephone conversation. There were some initial errors identified in the figures presented for review, but these were resolved following the discovery of a formulaic error in the Excel spreadsheet and the misprocessing of an entry.

I have the impression that the accounting systems would benefit from an overhaul to ensure that either the Excel spreadsheet is redesigned to accurately record the required information, or that the council considers the purchase of an accounting package.

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 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.

Recommended minimum testing:

- Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the Standing Orders and Financial Regulations which should be based on the latest version.
- Ensure that consistent values are in place for the acquisition of formal tenders between Standing Orders and Financial Regulations (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

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 2020/21 was not qualified, but it has not been published on the council website, nor has the Notice of Conclusion of Audit, and I was unable to trace the External Auditor's report being reported to council. **These are statutory requirements, and the council is encouraged to publish last year's information and ensure the current year's information is added to the website once received.**

I noted the council received and reviewed the internal audit report at the meeting held in June 2021 (minute ref 2289a).

Confirm by sample testing that councillors sign statutory office forms.

The Clerk provided evidence that councillors sign Acceptance of Office forms and the Parish Council website contains details of the councillors' Register of Disclosable Pecuniary Interests.

Confirm that the council is compliant with GDPR.

The council is fully aware of GDPR and has undergone training. It is recommended to establish common email addresses 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.

I was able to locate a Privacy Notice and Accessibility Statement on the homepage of the website.

Confirm that the council meets regularly throughout the year.

The council meets regularly during the year and a schedule of meetings is published on the council website, along with historic agendas and minutes.

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 in giving three clear days' notice of the meeting.

I noted that the publication date shows on the council website but is not included on the agenda itself. I recommend adding this to provide clarity as to the date the agenda is published on the noticeboards.

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

Minutes are routinely uploaded to the council website.

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

The council's Standing Orders are based on the current NALC model. They were approved by council in February 2020, and I note they are an item for review and adoption at the June 2022 council meeting. **Council is reminded that Standing Orders should be reviewed and adopted annually.**

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

Financial Regulations are based on the current NALC model version. They were approved by council in February 2020, and I note they are an item for review and adoption at the June 2022 council meeting. **Council is reminded that Financial Regulations should be reviewed and adopted annually.** 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 Financial Regulations contain authorisation levels as below:

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 £1,000;
- a duly delegated committee of the council for items over £500; or
- the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £500.

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 4.5 *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 £500. The Clerk shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.*

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

The council is not VAT registered and its last VAT reclaim was for the period ending 31 March 2018. **There is a maximum period whereby backdated claims can be made, and the council must take urgent action to avoid missing the opportunity to claim reimbursement.**

Confirm that checks of the accounts are made by a councillor.

The system noted above details some internal review takes place although there are identified areas for improvement.

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 **NOT** 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.

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

Audit findings

As highlighted at the internal audit last year, the council has a risk management process in place, although this has not been updated and approved by council since 2017. **Council is reminded that the Risk Assessment should be reviewed and adopted annually and I encourage the council to treat this as a matter of urgency to evidence that they take risk management seriously.**

The council has a valid insurance policy in place with Zurich Insurance. The policy includes Public Liability and Employers Liability cover of £10 million each and a Fidelity Guarantee level of £100,000. These levels are appropriate for a council of this size.

We discussed assertion 8 of the AGAR and whether or not this had any impact on the council.

"We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements."

The Clerk confirmed that she was not aware of any such liability at the year end.

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 **NOT** been met.

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.

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

Audit findings

I was able to confirm that the 2022-23 budget and precept was approved by council in accordance with statutory regulations, and the precept request was submitted to the District Council within the required timescale. A copy of the 2022/23 budget was provided for review at the audit.

There is evidence within council minutes of reviews of financial information.

At the year-end, the council held all balances in general reserve. The Clerk confirmed that she has discussed with the council creating earmarked reserves for specific planned projects, and this is to be encouraged.

Council is reminded that general guidance recommends a general reserve level of between three to twelve months' equivalent of precept, as adjusted for local conditions.

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

Audit findings

The precept amount was independently verified and confirmed correct as the figure entered into box 2 on the AGAR.

There is an audit trail of other income sources, which include bank interest, VAT refunds and grants and donations, and these could be traced to the figure presented in box 3 on the AGAR.

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.

Recommended minimum testing:

- A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a "not applicable" response is frequently required in this area.
- Review the systems in place for controlling any petty cash and cash floats (used for bar, catering, etc.)
- Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held
- Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held
- Ensure that VAT is identified wherever incurred and appropriate
- Physically check the petty cash and other cash floats held
- Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings

Audit findings

The council has no petty cash.

Section conclusion

I am of the opinion the control objective of "Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for" is not applicable as the council has 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 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

Audit findings

Payroll is processed in house using the HMRC online PAYE tools. A review of the payslips presented for audit show deduction amounts appear correct.

I was able to confirm from the accounting records that only applicable amounts have been included in box 4 (staff costs) on the AGAR.

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 of 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

Audit findings

The council has an asset register in place in a tabular format. As highlighted at last year’s internal audit, it contains basic information but is in need of review. Some assets remain incorrectly valued using insurance valuations rather than original or proxy cost, and the council is encouraged to bring the document up to date and ensure items are correctly recorded on the register.

I confirmed the repayment amounts and year-end balance of the PWLB loan to the PWLB records.

Section conclusion

I am of the opinion that the control objective of “Asset and investments registers were complete and accurate and properly maintained” has **NOT** been met.

I. BANK AND 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

Audit findings

At the year-end, the council had a reconciled position on its bank accounts. There is evidence within the minutes of meetings of bank reconciliations being presented to council.

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

Accounting Statements

At the time of the year-end audit, the AGAR figures presented for checking were as below:

AGAR Box Number		2020/21	2021/22	Auditor Notes
1	Balances brought forward	58,446	50,237	Correctly carried over from box 7 2020/21
2	Precept or rates and levies	55,000	76,000	Confirmed against precept amount received
3	Total other receipts	390	4,503	Confirmed against accounting records
4	Staff costs	23,244	22,285	Confirmed against accounting records
5	Loan interest/capital repayments	13,449	13,449	Verified against PWLB records
6	All other payments	26,906	18,367	Confirmed against accounting records
7	Balances carried forward	50,237	76,639	Total correctly equals (1+2+3) – (4+5+6)
8	Total value of cash and short-term investments	50,237	76,639	Confirmed against accounting records and account balances
9	Total fixed assets plus long-term investments and assets	260,076	260,076	Confirmed to asset register
10	Total borrowings	213,505	209,052	Verified against PWLB records

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

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2020/21 AGAR.

The variance analysis has been completed and, in my opinion, contains sufficient information to explain the variances in boxes 2, 3 and 6.

Section conclusion

I am of the opinion that the control assertion "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 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 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

Audit findings

The council did not declare itself exempt from a limited assurance review in 2020/21 and this test does not apply.

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 2020/21, it met the exemption criteria and correctly declared itself exempt" is not applicable.

L: TRANSPARENCY (INTERIM AUDIT)**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
- Internal auditors should review the authority's website ensuring that all required documentation is published in accordance with the Transparency Code for Smaller Authorities

Audit findings

The council's turnover exceeds £25,000 and this test does not apply.

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" is not applicable.

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

The authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Recommended minimum testing:

- Internal auditors 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.
- Internal auditors may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

Audit findings

The Public Rights Notice for 2020/21 was not published on the council website, and therefore the council has not met the requirements of this control assertion and must answer 'no' to assertion 4 on the annual governance statement.

The Clerk is aware of the requirements for the dates for 2021/22 Notice of Public Rights and will ensure these are adhered to.

Section conclusion

I am of the opinion that the control assertion “the authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations” has been **NOT** met.

N: PUBLICATION REQUIREMENTS**Internal audit requirement**

The authority has complied with the publication requirements for 2020/21. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Recommended minimum testing:

- Internal auditors 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.
- Internal auditors 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.

Audit findings

As detailed in section B of this report, the External Auditor’s report and Notice of Conclusion of Audit for 2020/21 were not published on the council website, and the council has therefore not met the requirements of this control assertion.

Section conclusion

I am of the opinion that the control assertion of “the authority has complied with the publication requirements for 2020/21 AGAR. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage” has **NOT** been met.

O. TRUSTEESHIP (INTERIM AUDIT)**Internal audit requirement**

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

Recommended minimum testing:

- Confirm that all charities of which the council is a Trustee are up to date with Charity Commission filing requirements
- that the council is the sole trustee on the Charity Commission register
- that the council is acting in accordance with the Trust deed
- that the charity meetings and accounts are recorded separately from those of the council
- review the level and activity of the charity and where a risk-based approach suggests such, review the Independent Examiner’s report

Audit findings

The council is the trustee of Etchingam Recreation Ground (Queen's Garden) Trust (Charity number 1093289).

A review of the Charity Commission website shows all required filings are up to date and the council is correctly registered as the trustee.

Section conclusion

I am of the opinion that the control assertion of "Trust funds (including charitable) – The council met its responsibilities as a trustee" has been met.

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

Yours sincerely



Andy Beams

For Mulberry & Co