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Our Ref: MARK/MEL004

Mrs L Roberts  
Melksham Town Council  
Town Hall  
Market Place  
Melksham  
Wiltshire  
SN12 6ES

16 December 2022

Dear Linda

**Re: Melksham Town Council**

**Internal Audit Year Ended 31 March 2023 – Interim Audit report**

**Executive summary**

Following completion of our interim internal audit on 16 December 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.

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.**

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 Melksham Town 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 & 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 previously issued to the council covering the 2022/23 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.

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## A. BOOKS OF ACCOUNT

### Internal audit requirement

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

### Audit findings

The interim audit was conducted on site with the Clerk, who also acts as the council's Responsible Financial Officer (RFO). A list of information requested in advance of the visit was unfortunately not passed onto the Clerk, but the information was either located on the day or subsequently forwarded to me to complete my audit report later.

Other information was reviewed through discussion with the Clerk and a review of the council website [www.melksham-tc.gov.uk](http://www.melksham-tc.gov.uk) which contains detailed information in support of agendas.

The council uses the Rialtas Business Solutions (RBS) software accounting package for recording the day-to-day financial transactions of the council. This is an industry specific accounting package and I make no recommendation to change. The system is used regularly to record transactions and produce management information reports for review at council meetings.

There are four users of the RBS system, each with their own individual log-in. I note the council has started using the sales and purchase ledger functions of the system, which are beneficial in identifying outstanding amounts and activity with individual supplier accounts. A review of the outstanding balances shows that there are good controls in place, with limited amounts outstanding at the interim audit date.

Financial Regulation 6.11 states 'Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.'

The council server is backed up remotely off-site daily, along with the Citrix platform which holds the accounting package.

## 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 and minuting of the prior year audited AGAR and notice of conclusion of audit.*

The External Auditor's Report for 2021/22 was qualified, with the External Auditor making the following comments – 'The AGAR was not accurately completed before submission for review. The figures in Section 2, Boxes 4, 6 and 9 of the prior year comparative column do not agree to the prior year final signed AGAR. The smaller authority has confirmed that Section 2, Boxes 4, 6 and 9 for the prior year should read £547,206, £642,179 and £5,910,718 respectively.'

The External Auditor's Report and Certificate has been published on the council website along with the Notice of Conclusion of Audit form. The conclusion of the audit and the Town Clerk's correspondence with the External Auditor were noted by council at the meeting held on 26 September 2022 (minute refs 364/22 and 365/22).

There is evidence within the minutes of council meetings of the receipt and consideration of Internal Audit Reports, with the interim report considered at the meeting held on 24 January 2022 (minute ref 240/21) and the final report considered at the meeting held on 20 June 2022 (minute ref 304/22).

*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 provides details of each councillor, and **although the Register of Members Interests forms are published on the Wiltshire Council site, there does not appear to be a link on the Town Council website, and I recommend this is added.**

*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. A review of the council website shows the council is aware of the Code and has made efforts to comply through the provision of, for example, the payment lists showing expenditure over £500. Other information, such as grants awards, are included within minutes of the relevant meeting, and while the council is meeting the spirit of the Code, it may be more transparent by providing the information in one place on the website.

**I recommend reviewing the way the information is published on the website of Upper Beeding Parish Council as a best practice example via this link [www.upperbeeding-pc.gov.uk/finance-transparency](http://www.upperbeeding-pc.gov.uk/finance-transparency)**

*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 council has a Privacy Notice and Accessibility Statement on the home page of its website, and it is clear the council has made every effort to comply with the website requirements.

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

In addition to full council, the council has a committee structure in place. Details of future meeting dates are published on the council website along with historic agendas and minutes. I note that an agenda item for approval at the December 2022 council meeting is the meeting schedule for the next civic year.

The council has an adopted Scheme of Delegation, which includes outlining the delegated functions of the council's committees and key officer. This was adopted by council in March 2020 and is due for review in March 2023.

*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 I 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.

With each agenda, there is a detailed pack of supporting information provided which conforms with the requirements of the Information Commissioner's Office (ICO).

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

I was able to confirm that the draft minutes of the most recent council and committee meetings are available on the council website.

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

The Standing Orders are based on the current NALC model and were most recently reviewed and adopted by council at the Annual Council Meeting on 16 May 2022 (minute ref 288/22).

*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 at the Annual Council Meeting on 16 May 2022 (minute ref 287/22), with a further amendment adopted at the council meeting held on 20 June 2022 (minute ref 307/22). 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 4.1. Expenditure (both revenue and capital) is categorised as follows:

- Small – contracts below £5,000.
- Medium – contracts between £5,000 and £9,999.
- Large – contracts between £10,000 and £24,999 and
- Very Large – contracts for £25,000 and over.

*Contracts may not be disaggregated to avoid controls imposed by these regulations.*

FR 4.2. Revenue expenditure may be authorised up to the amounts included for that class of expenditure in the approved budget. Should the expenditure exceed the approved budget, authorisation must be provided by resolution of the council, or duly delegated committee. During the budget year and with the approval of council 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 4.4. 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 £10,000.00. The Clerk 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.

I note that the council approved the use of direct debits for payments at the Annual Council Meeting on 16 May 2022 (minute ref 286/22).

Financial Regulation 5.2 deals with authorisation of payments and states 'The Town Clerk shall prepare a schedule of payments requiring authorisation, by two of the council's Authorised Signatories. The two Authorised Signatories shall review the schedule for compliance and, having satisfied themselves shall authorise payment by signing the schedule. This shall be deemed as authorisation for payment from the council's Lloyds Bank account by any two out of the Town Clerk, Deputy Town Clerk or Finance Officer. Authorisation of electronic payments from the council's Unity Bank account will be made by two Authorised Signatories using the council's Electronic Banking System. At every meeting of the council the Town Clerk shall present a full list of payments which have been authorised by members for formal ratification.'

I tested the council's payment process with the Clerk and am satisfied that the adopted Financial regulations are being followed, and an adequate audit trail exists for each payment.

I note that the council approved signatories for the bank accounts at the Annual Council Meeting on 16 May 2022 (minute ref 286/22).

*Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £8.82 per elector.*

The council has adopted the General Power of Competence (GPC) and this was re-confirmed at the Annual Council meeting after the elections in May 2021.

*Check receipt of VAT refund matches last submitted VAT return.*

The council submits its VAT return on a quarterly basis. I reviewed the submission for the period ending 30 September 2022 which showed a refund amount due of £9,625.24. I confirmed receipt of this amount to the council's account on 20 October 2022.

*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

Financial Regulation 16.1 states *'The council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.'*

I reviewed the council's financial risk assessment, which is completed annually in January. This provides a breakdown of identified risks by category, and then looks at various risks, the monitoring and mitigation in place, and an overall measurement of whether the council considers each risk to be low/medium or high.

While this is a suitable method for risk assessment for a council of this size, I noted some anomalies with practices identified elsewhere in this report – i.e., the percentage of precept compared to the council's Reserves Policy (see section D of report) and the usage and control of debit cards (section F) and **recommend that these are aligned during the review of the risk assessment in January 2023.**

Financial Regulation 1.5 states *'At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.'*

**I saw no evidence of this as part of the financial risk assessment and will review further at the final audit.**

Financial Regulation 15.4 states *'All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council, or duly delegated committee.'*

I confirmed that the council has a valid insurance policy in place with Aviva. The policy includes Public Liability and Employers Liability cover of £10 million each and an Internal Crime (Fidelity Guarantee) level of £1 million.

Based on the balances held by the council, and through discussion with the Clerk, **I recommend the council reviews the level of the Internal Crime insurance to ensure it covers the maximum balance likely to be held by the council during the year.**

## 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 £966,204 for 2022/23. With a tax base of 5,717.1, this equates to a band D equivalent of £169.00 (compared to the average in England of £74.81).

Financial Regulation 3.1 states *'Each committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of November each year including any proposals for revising the forecast.'*

The Clerk confirmed that the officers are working towards developing a five-year budget plan, but that there is no three-year forecast at present and this Financial Regulation is not currently being followed.

I confirmed that the 2023/24 budget setting process is underway. A draft proposal has been recommended by the Council Draft Working Group Meeting held on 14 December, and this is an agenda item for consideration at the council meeting scheduled for 19 December.

There is evidence within council minutes of regular reviews of financial information, including but not limited to payment lists, income and expenditure reports, petty cash information, monthly financial statements, earmarked reserves and cashbooks.

I am in no doubt that councillors are provided with sufficient financial information to make informed decisions.

The council holds circa £550,000 in earmarked reserves (EMR), including circa £52,000 in a Community Infrastructure Levy (CIL) EMR. Other amounts are split across a range of clearly identified projects. I tested the purpose of each of the EMRs with the Clerk and am satisfied they are all for future planned projects of the council.

The council has a Reserves Policy, which was re-adopted on 4 April 2022, and is published on the council website. Within the policy, the following is contained with regard to appropriate levels of general reserves *‘As stated above there is no hard and fast rule governing the level of general reserve, using a ratio of Precept to income generated from activities, in this Council 60% Precept 40% other income, the cash flow risk is considered to be medium, based on this income mix the level of General Reserve should be between four- and six-months operating costs (excluding capital projects). If the General Reserve drops below four months operating costs it should be topped up by either contribution from the Precept or by virement of sufficient funds from the Earmarked or Major Projects Reserves to restore the General Reserve to an acceptable level. If the General Reserve exceeds six months operating costs, surplus funds should be carried into the Major Projects Fund, or a new Earmarked Reserve created to support future years Precept’.*

The Joint Panel on Accountability and Governance (JPAG) Practitioner’s guide states *‘the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority’s general reserve is that this should be maintained at between three and twelve months of net revenue expenditure’* (para 5.33).

The general reserve balance is maintained within the range identified within the council’s adopted policy and the JPAG recommendation level.

## **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 Assembly Hall hire fees, allotments, Town Hall income and market income, along with VAT refunds and bank interest. A review of the detailed RBS income reports shows that receipts are processed with sufficient narrative detail to identify the source of the funds, and appear to have been processed to the most appropriate nominal code.

Financial Regulation 9.3 states *‘The council will review all fees and charges at least annually, following a report of the Town Clerk.’*

The Clerk confirmed that the hire fees were reviewed and approved by the council in May 2022.



## 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

Financial Regulation 6.18 states *'The Town Clerk may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Town Clerk with a claim for reimbursement.'*

*a) The Town Clerk shall maintain a petty cash float of £250 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept substantiating the payment.*

*b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.*

*c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.'*

The council maintains a minimal petty cash float, which is used sparingly for minor incidental expenditure items. The petty cash is managed by the Finance Officer, with receipts provided for any expenditure items.

There is a petty cash cashbook established within RBS, with the cashbook reconciled monthly. I have no doubt that petty cash is properly managed.

Financial Regulation 6.16 states *'Any Debit Card issued for use will be specifically restricted to the Town Clerk and will also be restricted to a single transaction maximum value of £5,000 unless authorised by council or the Finance, Admin and Performance committee before any order is placed.'*

From discussion with the Clerk, it was established that both the Clerk and Deputy Clerk have a debit card, and that on occasions, the Clerk's debit card is used without her knowledge as it is held in the safe and accessible by other members of staff.

**I recommend that the council updates its Financial Regulations to accurately reflect who is authorised to have a debit card, and that procedures are put in place to ensure that the card is only used by the named individual authorised to do so.**

## 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

Financial Regulation 4.3 states *'The salary budgets are to be reviewed at least annually in October for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Town Clerk and the Chair of Council or relevant committee. The Town Clerk will inform committees of any changes impacting on their budget requirement for the coming year in good time.'*

There are fifteen employees plus casual staff as required. All employees have signed contracts of employment, with casual staff on zero hours contracts.

The council uses Wiltshire Council for processing payroll, who calculates the PAYE and pension deductions. The Clerk provided details of the monthly gross and net amounts, and I was able to confirm that deduction amounts appear to be correct.

I reminded the Clerk that only salary, HMRC and pension payments should be included in box 4 on the Annual Governance and Accountability Return (AGAR) and any other staff costs should be recorded in box 6.

There are no councillor allowances, with only a Mayor's allowance paid.



## H. ASSETS AND INVESTMENTS

### **Internal audit requirement**

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

### **Audit findings**

The council maintains a fixed asset register in Excel format, which is published on the council website.

I reviewed the asset register, which includes detailed breakdowns of assets within each area of the council's business, with information including acquisition dates, condition, insurance value, supplier and original cost. Assets gifted/donated to the council are correctly listed with a nominal £1 value for the purpose of the asset register.

The register also includes a summary page showing the total of each area of the business, and the additions and/or disposals since the previous year.

A check of the register to ensure it is up to date and matches the AGAR information will be completed at the year-end audit.

The council has no PWLB borrowing, although I note that an agenda item for consideration at the council meeting scheduled for 19 December 2022 is to consider a potential PWLB loan for a new maintenance shed.

Financial Regulation 8.4 states *'The council's Investment Strategy and Policy shall be reviewed by the council at least annually.'*

The council has an adopted Investment Strategy and Policy which was most recently adopted by council On 24 January 2022 (minute ref 240/21).

The council has no long-term investments at present, pending the outcome of deliberations on the Diversification of Town Council Funds report.

## 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, two members other than the Chair or a cheque signatory shall be appointed to verify bank reconciliations for all accounts produced by the Town Clerk. 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 council's Finance, Admin. and Performance committee.'*

I note that the council approved councillors to complete the bank reconciliations at the Annual Council Meeting on 16 May 2022 (minute ref 286/22).

The Deputy Town Clerk confirmed after my visit to the council that the **bank reconciliations have not been completed in accordance with the financial regulations for the current financial year, and I will need to see evidence of this practice having been reinstated for me to provide a positive sign-off for this control objective.**

As the council's budget exceeds the €500,000 threshold, there is no protection available from the Financial Services Compensation Scheme (FSCS). I note the Clerk prepared a Diversification of Town Council Funds report which the council considered initially at its meeting held on 20 June 2022. The outcome of the council's deliberations will lead to the opening of additional bank accounts and/or investments.

**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**

Testing to be conducted at final audit.

**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")*

**Audit findings**

Testing to be conducted at final audit.

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

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

**Audit findings**

Testing to be conducted at final audit.

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

*The authority has demonstrated that during summer 2022 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.*

**Audit findings**

Inspection – key dates	2021/22 Actual
Date AGAR signed by council	20 June 2022
Date inspection notice issued	27 June 2022
Inspection period begins	28 June 2022
Inspection period ends	8 August 2022
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 2021/22, 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 2021/22. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.*

*Before 1 July 2022 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 2021/22, approved and signed, page 4*
- *Section 2 - Accounting Statements 2021/22, approved and signed, page 5*

*Not later than 30 September 2022 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 Public Rights is published on the council website along with the Notice of Conclusion of Audit and External Auditor Report and Certificate and the publication requirements for 2021/22 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.

**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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			√
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			√
M	The authority, during the previous year (2021-22) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	√		
N	The authority has complied with the publication requirements for 2021/22 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



**Andy Beams**

**For Mulberry & Co**

**Interim Audit - Points Carried Forward**

<b>Audit Point</b>	<b>Audit Findings</b>	<b>Council comments</b>
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	Although the Register of Members Interests forms are published on the Wiltshire Council site, there does not appear to be a link on the Town Council website, and I recommend this is added.	
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	I recommend reviewing the way the information is published on the website of Upper Beeding Parish Council as a best practice example via this link <a href="http://www.upperbeeding-pc.gov.uk/finance-transparency">www.upperbeeding-pc.gov.uk/finance-transparency</a>	
<b>FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	I noted some anomalies with practices identified elsewhere in this report and recommend that these are aligned during the review of the risk assessment in January 2023.	
<b>RISK MANAGEMENT AND INSURANCE</b>	I recommend the council reviews the level of the Internal Crime insurance to ensure it covers the maximum balance likely to be held by the council during the year.	
<b>PETTY CASH</b>	I recommend that the council updates its Financial Regulations to accurately reflect who is authorised to have a debit card, and that procedures are put in place to ensure that the card is only used by the named individual authorised to do so.	
<b>BANK AND CASH</b>	Bank reconciliations have not been completed in accordance with the financial regulations for the current financial year, and I will need to see evidence of this practice having been reinstated for me to provide a positive sign-off for this control objective.	