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Our Ref: MARK/HEA003

Mrs T Hamer
Headley Parish Council
The Farmhouse
Floods Farm
Sherfield on Loddon
HOOK
RG27 0AA

20th April 2020

Dear Tracy

Re: Headley Parish Council
Internal Audit Year Ended 31st March 2021

Executive Summary

Following completion of our internal audit on the 20th April we enclose our report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. **Testing requirements are shown in Red** and where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

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

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

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

It is therefore our opinion that Headley Parish Council can certify itself as exempt and issue the relevant certificate to the external auditor.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily.

The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority’s approval of the annual governance statement.

Independence & Competence

Your audit was conducted by Mark Mulberry of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

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

Engagement Letter

An engagement letter was issued on the 1st September 2020 covering the 2020/21 internal audit assignment. Copies of this document are available on request.

Planning & Inherent Risk Assessment

The scope and plan of works including fee structure was issued to the council on the 1st September 2020 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

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

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A. BOOKS OF ACCOUNT

Internal audit requirement

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

Recommended Minimum Testing

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

The council continues to use Ezpz and excel for recording the day to day transactions of that of the council. On average there are approximately a half dozen transactions per month and the package is populated on a regular basis. The clerk produces in hard and soft copy a bi-monthly bank reconciliation, a payment list and authorisation list together with bi-monthly budget monitoring.

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

I tested the three invoices for the foot path maintenance totalling net of VAT £1,917.60. The invoices were approved and annotated in accordance with financial regulations and the payments were verified the minutes and cheque numbers.

I tested opening balances as at 1/4/20 and confirmed they could be agreed back to the audited accounts for 2019/20.

The Council is not VAT registered and £530.01 VAT was received in year – it is anticipated the reclaim will be £572.54 for the 2021 council year. The amounts shown on the return could be agreed to the underlying accounts.

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

Section Conclusion

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

B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS

Internal audit requirement

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

Recommended Minimum Testing

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

Check the publication & minuting of the prior year audited AGAR and notice of conclusion of audit.

The AGAR was taken to council and minuted and the website was populated with the correct information. I applaud the council on their new website.

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that Councillors sign "Acceptance of Office" forms, register of members interests and notification to receive information by electronic means, all in line with regulations.

Confirm that the Council is compliant with the relevant transparency code.

I note that the Council is required by law to follow the Transparency Code, a review of the web site has shown that the code is being followed. (see section L)

Confirm that the Council is compliant with the GDPR.

The council is aware of GDPR. A common email system such as cllr.name@headly..... 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

Full Council; meets circa bi monthly

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

The agendas on the web site show that at least 3 clear days' notice is given of the meeting.

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

Minutes are uploaded to the council website.

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

The standing orders are based on the NALC model. These were reviewed in March 2021.

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

Financial regulations are based on the NALC model and are dated February 2012. 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. These were reviewed and re adopted by council in March 2021 full council meeting.

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

The de-minimis limit recorded in the Financial Regulations for the competitive purchase of items and services is as listed below.

- £20,000 + Tender Process
- £1,000 - £20,000 3 quotations are required.
- £200 - £1,000 – strive to get 3 estimates
- 0 - £200 – power to spend

Financial regulation 3 deals with budgetary control and authority to spend. The council has thresholds in place at which authorisations to spend must be obtained.

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit. Cheques must be signed by two individuals.

I discussed the purchasing system with the clerk vis-à-vis financial regulations 3 to 6 and ascertained that the regulations are being followed at a local level as described below:

1. Regular and recurring expenditure (rent, rates, wages, light & heat, contractual spend etc.) is known and authorised in advance (budget setting or tender process).
2. An ad hoc expenditure requirement is identified and noted to the clerk – this can be from a number of sources and depending on the financial amount will be discussed in advance with council, committee or chair. This will be noted in the minutes. My audit testing showed via the minutes that there is where appropriate discussion of expenditure before the orders are placed.
3. The order is made by the clerk – councillors are not allowed or permitted to place amend or vary orders.
4. The supplier invoice, when received, is reviewed and then batched ready for the next meeting.
5. Cheques are pre written and taken to the meeting for signing along with verification of supplier invoices. My audit testing showed that supplier invoices are all annotated.
6. Entries made to accounts package at point of writing cheque.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £8.32 per elector.

The council has made no grants. (2020: £1,000)

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 have reviewed the expenditure list which is broadly similar to the prior year after accounting for one of expenditure items. We found no evidence of breaches of financial regulations in the sample testing completed.

Section Conclusion

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

C. RISK MANAGEMENT & INSURANCE

Internal audit requirement

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

Recommended Minimum Testing

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

The council has a detailed risk assessment document which was reviewed in November 2020. The document is comprehensive and covers not only trips and hazards, but also financial and management risks. This is entirely fit for purpose and I make no recommendation to change.

I have confirmed that the Council has a valid insurance certificate. The Council reviews its insurance requirements as part of the renewal process. Asset & money cover appears adequate

Section Conclusion

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

D. BUDGET, PRECEPT & RESERVES

Internal audit requirement

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

Recommended Minimum Testing

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

The council has £30k of total reserves of which £17k are earmarked and £13k are general. Rule of thumb calculations would indicate that the general reserve of circa £8k as adjusted for local conditions would be more appropriate for a council of this size. **I recommend council consider its reserves with a view to future spending.**

The limited number of transactions lends itself to open and transparent reporting and it is clear councillors take an active part in the financial reporting. Budget monitoring reporting to members is comprehensive, and is appropriately minuted.

The 2021/22 budget and precept requirement was approved in the November 2020 meeting. I am under no doubt the full council approves the budget.

Section Conclusion

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

E. INCOME

Internal audit requirement

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

Recommended Minimum Testing

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

The precept income was tested to remittance advice notes and third party evidence. There are no errors to report.

Other income comprises, grants, interest, donations & VAT refund and are properly shown in box 3. I was able to prove the grant income and VAT refunds to third party evidence and or bank statements.

The council has no lettings, or burials and as such annual charges are not applicable.

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.

N/A – No Petty Cash

G. PAYROLL

Internal audit requirement

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

Recommended Minimum Testing

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

The council uses an external firm to calculate the tax and national insurance. Employees are paid with reference with NJC scales for consistency purposes. I tested the tax deduction for a full time employee – there were no errors.

The amounts shown on the AGAR, were reconcilable to the payroll records, there were no errors.

Monthly and year-end PAYE and NI deductions and returns have been submitted online, on time to HMRC. The year on year movement is less than 15% and as such does not need further explanation on the report of significant variances.

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 are not paid allowances.

Section Conclusion

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

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Recommended Minimum Testing

Tangible Fixed Assets

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

Fixed asset investments

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

Borrowing and Lending

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

The fixed asset register agreed to the AGAR, the register lists the assets, their cost or proxy cost together with insurance values. Assets are correctly stated at historic cost. There have been no additions or disposals in year.

The council has an investment with M&G – the variance between the cost of the investment and current market value is immaterial, both these values are properly shown on the fixed asset and investment register.

Section Conclusion

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

I. BANK & CASH

Internal audit requirement

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

Recommended Minimum Testing

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

At the year-end date the council had a reconciled bank position. I have reviewed the reconciliation there were no outstanding payments and the reconciliation agreed to the bank statements provided.

The minutes of the council show presentation and approval of the bank reconciliations at various points during the year.

Section Conclusion

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

J. YEAR END ACCOUNTS

Internal audit requirement

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

Recommended Minimum Testing

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

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

Section 1 – Annual Governance Statement

	Annual Governance Statement	<i>'Yes' means that this authority</i>	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	YES – Receipts & payments accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	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.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	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.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	YES – the requirements and timescales for 2018/19 year-end were followed.

5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	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.	<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	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.	<i>responded to matters brought to its attention by internal and external audit.</i>	YES – where matters are raised, action taken by council is recorded in the minutes.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	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 responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	N/A – the council has no trusts.

Section 2 – Accounting Statements

Agar Box Number		2019/20	2020/21	Auditor Notes
1	Balances brought forward	19,442	25,054	Agrees to bfwd signed accounts
2	Precept or Rates and Levies	13,500	13,500	Agrees to third party evidence – no change year on year
3	Total other receipts	3,853	2,973	Agrees to underlying accounts – variance due to CII reduction
4	Staff costs	5,203	5,514	Agrees to underlying payroll records
5	Loan interest/capital repayments	0	0	Agreed no loans
6	All other Payments	6,538	5,395	Agrees to underlying accounts– variance due reduction in mileage and hall hires (covid)
7	Balances carried forward	25,054	30,618	Casting agrees

8	Total value of cash and short term investments	25,054	30,618	Agrees to bank rec and bank statements
9	Total fixed assets plus long term investments and assets	66,506	64,013	Agreed to register - vehicle activated sign removed
10	Total borrowings	0	0	Agreed no loans

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

The year-end accounts have been correctly prepared on the income & expenditure basis with no requirement for a box 7 & 8 reconciliation.

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

The variance analysis is required because there are variances greater than 15% and £200. This has been correctly prepared on a summary table basis.

Section Conclusion

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

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

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

Recommended Minimum Testing

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

The council certified its self as exempt in 2020 and will do so again for 2021. The certificate and accompanying documentation is posted to the council website in accordance with regulations.

Section Conclusion

I am of the opinion the control objective of “IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt.”, has been met.

L: TRANSPARENCY

Internal audit requirement

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

Recommended Minimum Testing

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

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

A review of the council website www.headley-pc.gov.uk shows the following:

Expenditure over £100 – the council lists all its expenditure in the minutes of full council.

End of year accounts – there are links to AGARs on the transparency tab.

Annual Governance Statement – there are links to AGARs on the transparency tab – which contain the statement

Internal Audit Report – there are links to AGARs on the transparency tab – which contain the statement

Councillor responsibilities – details of councillors are published via a link on the website.

Details of public land and buildings – the asset list has been published on the documents tab of the website.

Minutes, agendas and meeting papers of formal meetings – these are published on the agendas and meetings tab, with links to agendas, minutes and additional documents for each meeting.

Section Conclusion

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

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).

Recommended Minimum Testing

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

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

The publication date for final, audited, accounts was moved from the 30 September to 30 November 2020 for all local authority bodies. To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of July was removed. Instead, local authorities must have commenced the public inspection period on or before the first working day of September 2020. This meant that draft accounts must have been approved by 31 August 2020 at the latest.

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

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

I confirmed with the clerk that arrangements are in place at this Council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

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

Inspection - Key date	2019-20	2020-21
Accounts approved at full council	18/05/20	13/03/21
Date Inspection Notice Issued and how published	8 th June	7 th June
Inspection period begins	15 th June	14 th June
Inspection period ends	24 th July	23 th July
Correct length	yes	yes
Common period included?	yes	yes
Summary of rights document on website?	Attached to inspection announcement	Attached to inspection announcement

Section Conclusion

I am of the opinion that the control assertion of *“The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set):”* has been met.

N. PUBLICATION REQUIREMENTS (INTERIM & FINAL AUDIT)

Internal audit requirement

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

Recommended Minimum Testing

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

A review of the website and the findings above show that the local authority has complied with the regulations in respect of publication.

Section Conclusion

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

O. TRUSTEESHIP (INTERIM AUDIT)

Internal audit requirement

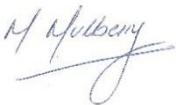
Trust funds (including charitable) – The council met its responsibilities as a trustee.

Not Applicable - No trusts.

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

Kind regards

Yours sincerely



Mark Mulberry

Points Forward

Audit Point	Audit Findings	Council comments
Reserves	I recommend council consider its reserves with a view to future spending. General reserves are high.	