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Our Ref: MARK/NOR006

Mrs G Jackson
Northiam Parish Council
Parish Office
Main Street
Northiam
East Sussex
TN31 6LP

9 February 2023

Dear Georgina

Re: Northiam Parish Council
Internal Audit Year Ended 31 March 2023 – Interim Audit Report

Executive summary

Following completion of our interim internal audit on 9 February 2023 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date.

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified. Testing requirements follow those detailed in the audit plan previously sent to the council, a copy of this is available on request. The report concludes with an opinion as to whether each assertion has been met or not at the interim audit. Where appropriate **recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

The council has been through a challenging period recently, with a number of changes taking place among officers and councillors. There have been several different individuals filling the Clerk role, either in a locum capacity or in permanent roles that lasted only short periods of time. Consequently, recommendations highlighted in previous internal audit reports have not been addressed in full, and the recommendations within this report mirror many raised in my previous visits. However, the council has now sourced an experienced locum Clerk, and I am confident based on my discussions with her today that, time allowing, the council will progress with improvements of its systems.

Our sample testing did not uncover any financial 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.

However, the internal audit did highlight some lapses in governance, policies and procedures and a requirement to improve some of the systems and procedures you have in place, to ensure they are fit for purpose. My report contains recommendations to support the council in addressing these needs.

It is therefore our opinion that the systems and internal procedures at Northiam Parish Council are in need of review and update.

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 although these are not in accordance with financial regulations
- There is a lack of regular reporting to council
- The locum Clerk, while new to this council, is experienced and informed
- Records are in need of review to ensure they are logically filed and retrievable on request
- The client is aware of current regulations and practices
- There has been high staff turnover

It is our opinion that the inherent risk of error or misstatement is medium, and the controls of the council require improvement.

Table of contents

		TEST AT INTERIM	TEST AT FINAL	PAGE
A	BOOKS OF ACCOUNT	√		4
B	FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	√	√	4
C	RISK MANAGEMENT AND INSURANCE	√	√	6
D	BUDGET, PRECEPT AND RESERVES	√	√	7
E	INCOME	√		7
F	PETTY CASH	√		8
G	PAYROLL	√	√	8
H	ASSETS AND INVESTMENTS	√	√	8
I	BANK AND CASH	√	√	9
J	YEAR END ACCOUNTS		√	9
K	LIMITED ASSURANCE REVIEW		√	9
L	TRANSPARENCY		√	9
M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS	√	√	10
N	PUBLICATION REQUIREMENTS	√	√	10
O	TRUSTEESHIP	√		10
	ACHIEVEMENT OF CONTROL ASSERTIONS AT INTERIM AUDIT DATE			11
	INTERIM AUDIT POINTS CARRIED FORWARD			12

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 Locum Clerk, who also acts as the council's Responsible Financial Officer (RFO). The Locum Clerk was appointed at the end of 2022 but has experience in the role with another Parish Council. A councillor was also present for the audit to provide comment and information on matters relating to prior to the Locum Clerk's appointment.

Due to the high turnover in the Clerk role, I have the impression that the council's systems and document recording have become erratic. The council also has a number of other detailed issues it is dealing with, but I am satisfied that the Locum Clerk has a thorough understanding of the need to establish a solid governance base for the council and will use the recommendations within this report to support her work to achieve this.

Some of the audit checks were conducted through a review of the council website www.northiamparishcouncil.org with other testing through discussion with the Locum Clerk and councillor in attendance.

The council continues to use the Scribe accounting package for recording the day-to-day financial transactions of the council. The system is used regularly to record transactions and is a commonly used accounts package for Parish Councils. Due to issues with Wi-Fi connectivity on the day of the interim audit, I was unable to review the current accounting records, and these will be scrutinised in detail as part of the final internal audit.

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 Audit was not complete before 30 September, with the External Auditor providing a notice on 28 September stating 'The smaller authority has submitted its AGAR and supporting documentation prior to 30 September 2022. However, we have not been able to complete our review work in time to enable the smaller authority to publish the required documentation in line with statutory requirements. Once we have completed our review a final report will be provided with the certificate of completion detailing any qualifications and 'other' matters.'

This report and the Notice of Conclusion form were added to the council's website on 3 October 2022, which is beyond the statutory date for publication.

The council are not aware of receiving any further correspondence from the External Auditor since September, and the Locum Clerk is encouraged to contact the External Auditor to clarify if any matters remain outstanding, and if not to obtain the certificate of completion and publish this on the council website.

Confirm by sample testing that councillors sign statutory office forms.

I confirmed by sample testing that councillors sign "Acceptance of Office" forms, although I note that the most recent ones have not been signed by the Proper Officer (prior to the Locum Clerk taking up post). The council website provides a link to the Rother District Council website (although this is embedded within an old news story and difficult to track down) where the Register of Members Interests forms are published, although the councillors listed on the Parish Council website and District Council website are not the same.

I recommend the council ensures that the councillor details are consistent across both websites, and that the link to the District Council website is made more prominent by placing on the councillor page.

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. From a review of the council website, some of the information is being published in various places on the website at present. **I recommend reviewing the way the information is published on the website of West Chiltington Parish Council as a best practice example via this link www.wcpc.org.uk/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.

Confirm that the council meets regularly throughout the year.

In addition to full council, the council has a committee for St Francis Fields and some steering/working groups. Historic agendas and minutes are published on the council website, although there appear to be a few sets of minutes missing. **There is a meeting diary on the District Council website, although I recommend this is added to the Parish Council website for greater transparency.**

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

I was able to evidence from the council website 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 remind council it is required to also post any supporting documentation with the agendas as outlined by the Information Commissioner's Office (page 3 of this link) ico.org.uk/minutesandagendas.pdf**

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

Draft 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 Standing Orders are based on the current NALC model. Information on the Standing Orders published on the council website suggests these were adopted by council in July 2022, although we were unable to verify this within the minutes. The Locum Clerk confirmed the Standing Orders will be re-adopted at the Annual Meeting in May 2023.

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

Financial Regulations are based on the current NALC model. As with the Standing Orders, it is unclear from the minutes of meetings when these were last approved by council, and as noted in previous internal audit reports, the current version retains square brackets where the council need to make decisions. The Locum Clerk confirmed the Financial Regulations will be re-adopted at the Annual Meeting in May 2023, and **I recommend they are reviewed for appropriateness and detail confirmed within the square bracket sections.** 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 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 [£5,000];*
- *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.

Based on the level of financial activity of the council, these authorisation thresholds appear appropriate subject to confirmation of the figures within the square brackets.

Through discussion with the Locum Clerk and councillor, **while I have no doubt that invoices are presented to council for review and approval, the retained audit trail in terms of signing of payment lists and/or invoices has lapsed, and I recommend these practices are re-introduced to confirm beyond doubt that payments are being properly authorised.**

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 section 137 expenditure for the year which is comfortably within the allowable limit.

Check receipt of VAT refund matches last submitted VAT return.

The council submits its VAT return on an annual basis. The most recent return for the period ending 31 March 2022 was submitted in September 2022 and I was able to confirm receipt of this amount to the council's bank account on 5 October 2022.

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

I am unconvinced that effective checks conducted by the council are recorded with sufficient detail based on my interim audit findings. However, the Locum Clerk intends to introduce a system of Internal Controls which will address these shortcomings, and I am confident that once in place, it will be clear that councillors are completing the required checks.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

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

Audit findings

The council has a risk assessment process in place, which includes financial risks. The document was reviewed and approved by council at the May 2022 meeting for the financial year under review.

The assessment includes identifying the hazards, who might be harmed and how, what the council are doing, what future actions may be needed and by whom, and when these actions will take place. This is adequate for a council of this size although I note from a review of items within the risk assessment, that some of the statements contradict other findings from this internal audit. **I recommend the financial risk assessment is reviewed against the planned internal controls to ensure consistency.**

I was able to confirm that the council has renewed its insurance policy, although at the time of the interim audit the policy schedule could not be located.

Previous internal audits have included the recommendation to increase the level of Fidelity Guarantee to cover the balances held by the council, and I would like to see confirmation this has been considered and actioned by reviewing the policy schedule at the final audit.

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 £100,000 for 2022/23. With a tax base of 1.084.4, this equates to a band D equivalent of £95.38 (compared to the average in England of £74.81).

The Locum Clerk confirmed that the 2023/24 budget and precept was approved at the council meeting held in January 2023. With a lack of consistent staff leading up to budget setting, and the absence of any confirmed financial position, I have my concerns as to how the council established the required budget, as the focus appeared to be on restricting the precept increase to a certain level. Improvements in the financial management and presentation of this information to councillors should support a more robust budget setting process in future years.

Financial information has been presented to council at meetings, and the minutes reflect this taking place. However, there appears to have been an absence of any reviews of performance against budget during the year being discussed and recorded at council meetings, and an uncertainty over the council's overall financial position in relation to reserves, albeit complicated by the scenario with St Francis Field.

I recommend, at least quarterly, the council is presented with a detailed budget report confirming actual spend to date against budget, with variances discussed and considered and appropriate action being taken and recorded in the minutes.

I recommend at the financial year end, a thorough review of the balances held by the council, is conducted to ensure everyone understands which amounts are held for which specific purpose, and the ensure the difference between earmarked and general reserves is understood.

Council is reminded that 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 will be reviewed at the final audit.

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 St Francis Fields, burials at the cemetery, the bowls and football clubs, allotment rents, sponsorship, bank interest and VAT refunds.

The council is planning to conduct reviews of its charges for the Sports Clubs, and I encourage the council to ensure that reviews of all charges are conducted regularly, and decisions on any changes documented within the minutes of the appropriate meeting. It is timely to conduct these reviews as part of the budget setting process and for changes to take effect from the start of a new financial year.

F. PETTY CASH**Internal audit requirement**

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.

Audit findings

The council has a small petty cash float which they are gradually winding down. Through discussion, it appears that the main use has been to reimburse councillors for expenses. I remind council that as it is a requirement to publish details of all councillor allowances and expenses, implementing an expense claim form for allowable expenses would provide a clearer audit trail.

The Locum Clerk confirmed there is a council debit card, which negates other reasons for using petty cash, and the council will aim to remove the petty cash by the end of the financial year.

If the petty cash remains in place, the council must implement a regular checking and balancing procedure, perhaps quarterly, and ensure clear records are kept.

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

The council uses the HMRC PAYE Online Tools for processing of payroll. There are currently no staff members on payroll, with the Locum Clerk a contractor and plans in place to issue a contract for a Locum RFO. Currently no staff on payroll.

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. Locum staff costs are not included within the definition of box 4, as they are paid by invoice rather than through payroll, and these amounts should be recorded in box 6 on the AGAR.

There are no councillor allowances.

H. ASSETS AND INVESTMENTS**Internal audit requirement**

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

Audit findings

The council has an asset register in place, and I was able to confirm that the total on the register matches that entered on the AGAR for 2021/22. The Locum Clerk will check through the invoices for the current year and ensure that any purchased assets are added to the register and any items disposed of are removed before the end of the financial 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 a PWLB loan which was taken out for St Francis Fields. Confirmation of the repayments and year-end balances will be checked at the year-end audit.

The council has no long-term investments.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

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

There have been issues with accessing bank statements due to changes of staff and bank signatories. At the time of the interim audit, there was no evidence of reconciliations being completed in accordance with FR 2.2 above.

I remind council that monthly reconciliations must take place of all accounts to provide assurance that the accounting records match the bank statements, and a quarterly independent review must take place in accordance with FR 2.2, the reconciliation and bank statement must be signed, and this must be reported to council and noted in the minutes.

The council has several bank accounts with different financial institutions, although there appears to be some confusion as to the purpose of each account and the proposed use of funds on each. This will need to be resolved by the financial year-end, so that all councillors are clear on the account balances, the purpose of each and how these relate to the council's overall financial position.

Council is reminded that the Financial Services Compensation Scheme (FSCS) protects balances up to a maximum of £85,000 per financial institution.

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	9 June 2022
Date inspection notice issued	13 June 2022
Inspection period begins	20 June 2022
Inspection period ends	29 July 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. The Notice of Conclusion of Audit and interim External Auditor Report and Certificate were received on 28 September but not published on the council website until 3 October, and therefore the publication requirements for 2021/22 **have NOT 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

Audit Point	Audit Findings	Council comments
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	I recommend the council ensures that the councillor details are consistent across both websites, and that the link to the District Council website showing the Register of Members Interests' is made more prominent by placing on the councillor page.	
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	I recommend reviewing the way the information is published on the website of West Chiltonton Parish Council as a best practice example via this link www.wcpc.org.uk/transparency	
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	There is a meeting diary on the District Council website, although I recommend this is added to the Parish Council website for greater transparency.	
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	I remind council it is required to also post any supporting documentation with the agendas as outlined by the Information Commissioner's Office (page 3 of this link) ico.org.uk/minutesandagendas.pdf	
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	I recommend the Financial Regulations are reviewed for appropriateness and detail confirmed within the square bracket sections.	
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	While I have no doubt that invoices are presented to council for review and approval, the retained audit trail in terms of signing of payment lists and/or invoices has lapsed, and I recommend these practices are re-introduced to confirm beyond doubt that payments are being properly authorised.	
RISK MANAGEMENT AND INSURANCE	I recommend the financial risk assessment is reviewed against the planned internal controls to ensure consistency.	
RISK MANAGEMENT AND INSURANCE	Previous internal audits have included the recommendation to increase the level of Fidelity Guarantee to cover the balances held by the council, and I would like to see confirmation this has been considered and actioned by reviewing the policy schedule at the final audit.	
BUDGET, PRECEPT AND RESERVES	I recommend, at least quarterly, the council is presented with a detailed budget report confirming actual spend to date against budget, with variances discussed and considered and appropriate action being taken and recorded in the minutes.	
BUDGET, PRECEPT AND RESERVES	I recommend at the financial year end, a thorough review of the balances held by the council, is conducted to ensure everyone understands which amounts are held for which specific purpose, and the ensure the difference between earmarked and general reserves is understood.	

BANK AND CASH	I remind council that monthly reconciliations must take place of all accounts to provide assurance that the accounting records match the bank statements, and a quarterly independent review must take place in accordance with FR 2.2, the reconciliation and bank statement must be signed, and this must be reported to council and noted in the minutes.	
BANK AND CASH	The council has several bank accounts with different financial institutions, although there appears to be some confusion as to the purpose of each account and the proposed use of funds on each. This will need to be resolved by the financial year-end, so that all councillors are clear on the account balances, the purpose of each and how these relate to the council's overall financial position.	