



AUDIT COMMITTEE

Minutes of a Meeting of the Audit Committee
held in the Council Offices, 18 Fort Road, Newhaven,
on **Wednesday 18th January 2023 at 3:30pm**

PRESENT: Councillors Bill Giles (Chair)
Angela Simmons (Vice Chair)
Marlene Amy
Graham Amy

ALSO ATTENDING: Ken Dry, Clerk to the Council
Alison Campbell, Responsible Finance Officer

A01/23 APOLOGIES FOR ABSENCE

There were none.

A02/23 DECLARATIONS OF INTEREST - DISCLOSURE BY COUNCILLORS OF PERSONAL INTERESTS IN MATTERS ON THE AGENDA, AND WHETHER THE COUNCILLOR REGARDS THEIR INTEREST AS PREJUDICIAL UNDER THE TERMS OF THE CODE OF CONDUCT.

There were none.

A03/23 TO CONSIDER WHETHER THE MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON FRIDAY 26TH OCTOBER 2021 ARE AN ACCURATE RECORD OF THE MEETING.

RESOLVED:

That the minutes of Friday 26th October 2021 be signed by the Chairman as a true record of the proceedings.

A04/23 PETITIONS/PUBLIC QUESTIONS

There were none.

15:42Hrs Cllr. Simmons joins the meeting.

A05/23 TO CONSIDER/NOTE THE FINAL REPORT FROM THE INTERNAL AUDITOR 2021-2022.

Following discussion, it was

RESOLVED

To note Recommendations R1, R2 and R3 of the Internal Audit Report 2021-22 (Final Update) and continue the work necessary to address recommendations R4 and R5 of the same.

A06/23 TO NOTE THE OUTCOME OF THE EXTERNAL AUDIT 2021-2022.

The Clerk explained the findings of the External Auditor PKF Littlejohn LLP (PKF).

That following the councils submission of its AGAR Part 3 documentation for the FY 2021/22 to PKF, a difference of £189 had been found in the assets (Box 9). On investigation the Clerk established that this was the result of the replacement of one of two 55" Display Screens at a greater cost than the original and that the asset register had not been amended to reflect this by the RFO.

As part of the same investigation, the Clerk had also discovered a similar issue with regards to the disposal of two of six existing Glasdon Litter Bins and the purchase of three new Glasdon Litter Bins at a different unit cost which had created an Asset Net Movement Value of £828 and had informed PKF of this also.

This resulted in PKF on its Auditor Report and Certificate for 2021/22 commenting as follows;

"Box 9 has been reported incorrectly as the asset register was incorrect. It was £2,575,932 but should be £2,576,572."

Noted.

A07/23 TO CONSIDER THE INTERIM REPORT FROM THE INTERNAL AUDITOR 2022-2023.

The Clerk and RFO led members through the individual recommendations of the Internal Auditors interim report and confirmed the following;

R1 – That all cheques when raised are now entered sequentially into the Rialtus accounts system as soon as they are raised with Direct Debits being entered on the date they appear on the bank statement.

R2 – All transactions are now correctly recorded under the relevant month's cashbook.

R3 – The Clerk indicated that in line with the Auditors comments under this recommendation and a previous years recommendation surrounding the checking of staff salary payments, the following actions will be taken;

- i) The Councils Financial Regulations would be reviewed and brought into line with Para 2.2 the NALC model,
- ii) That a proforma template document would be developed and implemented to support this by recording the monthly checking of Bank Reconciliations with Bank Statements, Trial Balances, cashbook balances, physical Petty Cash and Advo Staff Salary summaries by a councillor who is not an authorised cheque signatory.
- iii) The completed and signed template(s) being reported to Full Council on a quarterly basis together with those signed Bank Reconciliations, Bank Statements, Trial Balances, cashbook balances, and physical Petty Cash.

R4 – The RFO indicated that five long-standing unpaid cheques had been dealt with accordingly.

R5 – The RFO indicated that x2 'uncleared' receipts had been investigated and dealt with accordingly.

R6 – The RFO indicated that the 'Unpaid accounts by date' is regularly used and has been suitably reduced in physical number, in both purchase and sales ledgers.

R7 – As previously provided at R3(ii and iii) above.

R8 – Physical Cash had been brought into line and checked accordingly.

Following consideration and discussion of the interim Internal Audit report 2022-23 and the input of the Clerk and RFO, it was,

RESOLVED, to note and accept the aforementioned explanations and proposed actions.

There being no further business, the meeting closed at 4:05pm.

Date:
.....
Chairman

DRAFT



NEWHAVEN TOWN COUNCIL COUNCIL & COMMITTEES' TERMS OF REFERENCE

FULL COUNCIL

Meets five times a year (including the Annual Meeting).

Terms of Reference

- (a) Consider and agree the broad policies and objectives of the Council, overseeing and co-ordinating the preparation, annual review and adoption of the Council's Business Plan.
- (b) Identify Key Tasks from the Business Plan and delegate their implementation to the relevant committee
- (c) Monitor the Council's Business Plan and consider any recommendations from the standing committees
- (d) Adopt and review the Standing Orders of the Council.
- (e) Adopt and review the Financial Regulations of the Council.
- (f) Adopt and review the Council's Code of Conduct
- (g) Adopt and review the Council's Risk Management controls
- (a) To consider and monitor relevant policies and procedures, for example:
 - Complaints Procedure
 - Press & Media Policy
 - Statement of Intent as to Community Engagement
 - Training Policy Statement of Intent
 - Member and Employee Protocol
 - Safeguarding Policy –Children, Young People and Vulnerable Adults
- (h) Consider the distribution, and approve the function, of the Council's committees and to consider any major changes in the Council's management or administrative procedures.
- (i) Appoint the membership of the Council's committees
- (j) Appoint the Chair and Vice Chair of the Council (Mayor and Deputy Mayor)
- (k) Approve the Council's budget and set the precept to be levied.
- (l) Approve the Annual Accounts and the Annual Return.
- (m) Authorise expenditure not specifically included in the Council's approved budget estimates.
- (n) Ensure an effective system of internal audit is in place and to annually review its effectiveness.
- (o) Make, amend or revoke Bye-Laws.
- (p) Appoint Council representatives to outside bodies.
- (q) Enter into legal proceedings on the Council's behalf.
- (r) Consider the devolution of appropriate services from other authorities.

- (s) Adoption of the Neighbourhood Plan.
- (t) Appoint or dismiss the Town Clerk.

Membership

All elected members of the Council (18)

Role of the Chair of the Council (Mayor)

- (a) To be fully briefed and prepared on the issues being considered by the Council.
- (b) To preside over meetings in a fair and balanced manner that encourages contributions and achieves the objectives of the meeting by maintaining focus, seeking consensus, summarising views and conclusions and resolving conflict.
- (c) To be accountable to the council for the efficiency and effectiveness of the meeting, ensuring that business is transacted with reasonable speed.
- (d) To ensure the council acts only within its terms of reference.
- (e) To ensure compliance with standing orders, financial regulations, Council policies and relevant legislation.
- (f) To protect the council from outside interference.
- (g) To act with the clerk as a spokesperson for the council on matters within the council's jurisdiction, liaising with the press where appropriate.
- (h) To ensure the overall integrity of the decision-making process within the council, and that the process operates fairly and openly.
- (i) To ensure good employment practice by the council as a corporate body.
- (j) To meet with the Town Clerk to confirm/set the agenda for Council meetings, ensuring that information is complete.

Subject to the observance of decisions of the Council on matters of principle or policy, the Council's powers and duties are delegated to the Standing Committees as permitted under the Local Government Act 1972 s101, in accordance with the approved Terms of Reference drafted below. Consequently, each committee makes decisions on behalf of the Council as a whole, the minutes of these being reported to and adopted by Council.

The Council's Standing Committees are as follows:

REGENERATION AND STRATEGIC DEVELOPMENT COMMITTEE

Meets 4 times a year.

The officer responsible for reporting to this committee is the Town Clerk or Executive Officer, liaising where appropriate with the Responsible Finance Officer.

Responsible for the strategic development of the Council and the supervision of projects aimed at the regeneration of the town including work on the Neighbourhood Plan up to adoption (which will be by full Council).

- (a) To investigate and develop projects to regenerate the town
- (b) To investigate and develop projects to improve the image of the town
- (c) To apply for external funding towards projects to regenerate the town
- (d) To oversee and co-ordinate the adoption and review of the Neighbourhood Plan.
- (e) To ensure the protection and enhancement of existing green spaces in Newhaven, including woodland, scrub, cliff tops and wetlands through policies and programmes written by the Council.
- (f) To investigate the acquisition of land for environmental and amenity uses
- (g) To investigate the provision of new built facilities for the local community
- (h)
- (i) To support, monitor and implement the parts of the Business Plan relevant to the committee and make recommendations to Council for revisions if/as required.
- (j) To either carry projects forward or recommend to full Council that funded projects are delegated to another committee as appropriate
- (k) To appoint Working Groups to report to the committee as required on issues arising from (a), (b), (d), (f) and (g) of these Terms of Reference.

Membership

Minimum of 5 and a maximum of 7, elected at Annual Council

Appointed members of Working Groups can include members and non-members of this committee, and members of the public as appropriate (subject to approval by the Regeneration and Strategic Development Committee).

Working Groups created will not make formal decisions but will investigate project topics and refer outcomes of research, to the Regeneration and Strategic Development Committee. They may also refer project information where relevant, to other appropriate Committees for a decision.

Role of the Chair –see Appendix.

PROMOTION PARTNERSHIP & FINANCE COMMITTEE

Meets 5 times a year.

The officer responsible for reporting to this committee is the Town Clerk or Executive Officer, liaising where appropriate with the Responsible Finance Officer.

Responsible for the Council's engagement and promotional initiatives, its communications, events, and tourism initiatives working on its own and in partnership with other organisations.

Responsible for ensuring the sound management of the Council's finances including the awarding of grants and Members Allowances where appropriate and its corporate facilities including office accommodation, equipment, furniture and accounting services.

Terms of Reference

- (a) To ensure the sound management of the Council's finances and resources, including Members Allowances where appropriate.
- (b) To consider and make decisions on grant applications. At least one of its meetings each year will be devoted to the consideration of grant applications funded out of the Grant Aid budget; applications for funding from this budget may, however, be considered at other times of the year too.
- (c) To support community events by the making of grants and/or through partnership working with other bodies
- (d) To oversee the organisation on its' own behalf or in conjunction with other agencies, such as the
 - Dieppe Raid
 - Remembrance Day Parade
 - Mayors Community Carol Concert
 -
- (e) To be responsible for printed and electronic communication including the following:
 - Website
 - Newhaven Matters
 - Town guides/maps
 - Annual report
 - Social media
- (f) To co-ordinate promotional and partnership activities with communities in other countries, whether through formal twinning arrangements or through friendship and co-operation agreements
- (g) To review applications for civic and commemorative awards and make recommendations to Full Council.
- (h) Democratic representation including hospitality and civic functions and the Mayor's Fund.
- (i) Supporting tourism and promotional initiatives.
- (j) To support, monitor and implement the parts of the Business Plan relevant to the committee and make recommendations to Council for revisions if/as required.

Membership

Minimum of 5 and a maximum of 7, elected at Annual Council

Role of the Chair – see Appendix.

ENVIRONMENT & AMENITIES COMMITTEE

Meets 4 times a year.

The officer responsible for reporting to this committee is the Town Clerk or Executive Officer, liaising where appropriate with the Responsible Finance Officer.

Responsible for social centres, the Cemetery and its infrastructure and open spaces owned by the Council and related environmental items and facilities within the Council's control.

Terms of Reference

- (a) To monitor the open spaces provided or managed by the Council, including those devolved to the Council by the District and County Councils
- (b) To maintain and improve those facilities including:
 - Cemetery
 - Play areas
 - Recreation Grounds
 - Informal open green spaces
 - Allotments
- (c) To consider the appearance of the town and implement improvements. To provide and/or maintain the following:
 - Street furniture (bus shelters, benches, litter bins, grit bins)
 - Notice boards
 - Town signs
 - Floral arrangements
 - Flagpoles and banners
 - Christmas lights
- (d) To undertake the management of all Council social centres
 - To ensure that adequate provision is made for their repair and maintenance and such works are carried out in a timely manner.
 - Fees and terms and conditions are set for their hire.
 - Leases, licences and agreements are considered for use of buildings.
- (e) To consider crime prevention measures including liaison with the police and the provision of CCTV cameras.
- (f) To support, monitor and implement the parts of the Business Plan relevant to the committee and make recommendations to Council for revisions if/as required.
- (g) To maximise the opportunities to provide sculptures and other artwork to improve the appearance of the town.

Membership

Minimum of 5 and a maximum of 7, elected at Annual Council

Role of the Chair – see Appendix.

PLANNING & DEVELOPMENT COMMITTEE

Meets 2 weeks prior to each Lewes District Council Planning Committee to facilitate responses to formal planning application consultations within the boundaries of Newhaven Town

The officer responsible for reporting to this committee is the Town Clerk or Executive Officer.

Terms of Reference

Responsible for commenting on formal planning applications and responding to development, transport and related environmental issues on behalf of the Council.

- (a) To consider all planning applications submitted by Lewes District Council and East Sussex County Council and submit observations to those authorities without reference back to Council. To be aware of planning policy and supplementary planning documents when responding to applications.
- (b) To review planning and enforcement appeals and submit additional representations if required.
- (c) To be responsible for the Council's involvement with all highways, transport and environmental issues and to review and respond to consultations and communications.
- (d) To liaise with Lewes District Council and developers to consider the appropriate type of housing including low cost housing schemes.
- (e) To encourage appropriate economic development for the benefit of the town whilst being aware of the immediate environment, impact on residential dwellings and provisions of the Neighbourhood Plan.
- (f) To monitor and promote public transport services and encourage sustainable transport within the provisions of the Neighbourhood Plan.
- (g) To ensure that any major development maximises the opportunity for green infrastructure e.g., hedge and tree planting, wildflower areas, new ponds etc. to enhance the natural beauty and biodiversity of the Town. *(previously under remit of Regeneration and Strategic Development Committee)*
- (h) To make recommendations regarding street naming.
- (i) To support, monitor and implement the parts of the Business Plan relevant to the committee and make recommendations to Council for revisions if/as required.

Membership

Minimum of 5 and a maximum of 7, elected at Annual Council.

Role of the Chair – see Appendix.

PERSONNEL COMMITTEE

Meets at least twice a year to consider the implication of training requests and the staff budget, relating to the budget and staff appraisal cycle.

Terms of Reference

Responsible for the review and setting of pay and conditions for staff and to address and resolve personnel issues, including grievance and disciplinary matters.

(a) To support the Town Clerk in staffing matters including:

- Appointments
- Appraisals
- Training and development

(b) To approve staff pay and conditions annually

(c) To ensure the Health and Safety of staff employed by providing appropriate working spaces, tools, equipment and training.

(d) To consider and monitor relevant personnel policies and procedures, for example:

- Staff Handbook
- Disciplinary Procedure
- Grievance Procedure
- Dignity at Work – Bullying and Harassment Policy
- Local Government Pension Scheme Discretions Policy
- Equal Opportunities Policy
- Health and Safety Policy
- Performance and Development – Staff Annual Appraisal
- Recruitment of Ex-Offenders Policy
- Storage of CRB Disclosures Policy

Membership

Minimum of 5 and a maximum of 7, elected at Annual Council

Role of the Chair – see Appendix.

AUDIT COMMITTEE

Meets at least twice a year to assist in the preparation and consideration of the Auditor's report, related to the audit cycle.

Terms of Reference

Responsible for the consideration of matters raised by internal and external auditors and in conjunction with the Town Clerk, Deputy Town Clerk to make necessary changes if appropriate and report recommendations to Full Council.

Membership

Minimum of 3 and a maximum of 5, elected at Annual Council.

The Chair of the Council and the Chairmen of Standing Committees cannot be members of the Audit Committee.

Role of the Chair – see Appendix.

APPENDIX

THE ROLE OF THE CHAIR OF A COMMITTEE OR SUB-COMMITTEE

- (a) To be fully briefed and prepared on the issues being considered by the committee.
- (b) To preside over meetings in a fair and balanced manner that encourages contributions and achieves the objectives of the meeting by maintaining focus, seeking consensus, summarising views and conclusions and resolving conflict.
- (c) To be accountable to the committee for the efficiency and effectiveness of the meeting, ensuring that business is transacted with reasonable speed.
- (d) To ensure the committee acts only within its terms of reference.
- (e) To ensure compliance with standing orders, financial regulations, council policies and relevant legislation.
- (f) To work with the Town Clerk or Deputy Town Clerk to confirm/set the agenda for meetings, ensuring that information is complete.
- (k) To act with the Clerk as a spokesperson for the Council on matters within the committee's remit, liaising with the press where appropriate.

COMMITTEE SUBSTITUTES:

Where a committee member is unable to attend a scheduled committee meeting (not Full Council) they are required (where possible) to arrange a colleague Town Councillor to attend in their stead and inform the Town Clerk/Council Office of that councillor's name as soon as possible.

Where a substitute attendee is arranged for a Planning & Development Committee meeting, that substitute must have attended and completed the relevant training course.

CHAIRS' BRIEFING MEETINGS:

The Chair of the Council and Chairmen of Committees also make up the Council's management team and have regular informal briefing meetings with the Town Clerk and Executive Officer.

- (a) A Chairs' Briefing is NOT a formal decision-making meeting. It cannot make decisions other than to place issues on agendas and in which order they will be discussed (either Council or committees); or to give the Town Clerk or Executive Officer guidance on whether or not they should investigate something further before placing it on an agenda; or to give the Town Clerk or Executive Officer guidance on how to respond to correspondence that cannot wait until the next appropriate meeting; or to give the Town Clerk or Executive Officer guidance on the sort of decisions that fall within the Town Clerk's normal authority.
- (b) Due to time constraints or other reasons, it may not always be possible for all agenda items for all committees or Council meetings to have been discussed at a Chairs' Briefing. For this reason, as well as to enable the fulfilment of the Town Clerk's statutory duty to draw certain things to the attention of the Council, the Town Clerk has the final say on what goes on formal agendas and may place things on agendas that have not been discussed at the Chairs'

Briefing. The Town Clerk may also respond to correspondence on behalf of the town council and take decisions that fall within his normal authority without reference to the Chairs' Briefing meeting.

- (c) All councillors (whether or not they are Chairs of committees) may put forward items for informal discussion at the Chairs' Briefing meeting. This is one way for councillors to get items placed on formal agendas. Notes from Chairs' Briefing meetings will be circulated to all councillors. Agendas for Chairs' Briefings will include Any Other Business.

Date of policy or procedure: May 13th 2025

Approving committee: N/A

Date of committee meeting: N/A

Supersedes (name of old policy and reference): N/A

Policy version reference: 55 NTC Committee ToR

Policy adopted by Full Council on: May 13th 2025

Date for next review: May 12th 2026



Mrs A Campbell
Newhaven Town Council
18 Fort Road
Newhaven
East Sussex
BN9 9QE

24 October 2025

Dear Alison

Re: Newhaven Town Council
Internal Audit for Financial Year Ended 31 March 2026 – Interim Audit report

Executive summary

Following completion of our interim internal audit on 24 October 2025 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 Annual Governance and Accountability Return (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 which is available on request. The report concludes with an opinion as to whether each assertion has been met or not at this point in the year. **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 Newhaven 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 Local Authority Services Ltd, who has over 35 years’ experience in the financial sector with the last 15 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Engagement Letter and inherent risk assessment

An engagement letter was previously issued to the council covering the 2025/26 internal audit assignment, which includes the scope and plan of works and fee structure. Copies of this document are available on request from anna@mulberrylas.co.uk

In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

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

Table of contents

		PAGE
A	BOOKS OF ACCOUNT	4
B	FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	4
C	RISK MANAGEMENT AND INSURANCE	7
D	BUDGET, PRECEPT AND RESERVES	7
E	INCOME	8
F	PETTY CASH	9
G	PAYROLL	9
H	ASSETS AND INVESTMENTS	10
I	BANK AND CASH	12
J	YEAR END ACCOUNTS	12
K	LIMITED ASSURANCE REVIEW	12
L	PUBLICATION OF INFORMATION	13
M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS	13
N	PUBLICATION REQUIREMENTS	14
O	TRUSTEESHIP	14
	ACHIEVEMENT OF CONTROL ASSERTIONS	15
	AUDIT POINTS CARRIED FORWARD	16

A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been kept properly during the year.

Audit findings

The audit was conducted on site with the council's Responsible Financial Officer (RFO). The RFO had prepared the information advised in advance of the visit, and overall, I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the RFO and a review of the council website www.newhaventowncouncil.gov.uk

The council uses the Rialtas Business Solutions (RBS) accounting package for recording the council's finances. This is an industry specific accounting package. The accounting package is updated regularly and used to produce management information reports for review at council meetings.

The system requires the population of key data fields to enable the user to record a transaction. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered with sufficient narrative detail to identify the source and purpose of each transaction.

I reviewed the nominal ledger entries for the period 1 April to 31 March to ensure items were posted to the correct heading and that there were no instances of netting off and the expenditure was correctly posted to the headings to which the line item related. This has confirmed that the accounting package is being properly used.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

This authority complied with its Finance 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 2024/25 was not qualified and has been published on the council website along with the Notice of Conclusion of Audit and will be reported to the council meeting scheduled for January 2026.

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. **I recommend that the form is amended to include formal acceptance to receive information by electronic means in the form "As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time."**

The council website includes a page where the individual Register of Members' Interests forms are published.

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 Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's Guide (March 2025) contains updated guidance on the matter as below, including details of the new Governance Assertion to be included in the 2025/26 AGAR:

Assertion 10 - Digital and data compliance

To warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 *Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com for example.*

1.48 *All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.*

1.49 *All websites must meet the [Web Content Accessibility Guidelines 2.2 AA](#) and the [Public Sector Bodies \(Websites and Mobile Applications\) \(No. 2\) Accessibility Regulations 2018](#) (where applicable).*

1.50 *All websites must include published documentation as specified in the [Freedom of Information Act 2000](#) and the [Transparency Code for Smaller Authorities](#) (where applicable).*

1.51 *All smaller authorities, including parish meetings, must follow both the [General Data Protection Regulation \(GDPR\) 2016](#) and the [Data Protection Act \(DPA\) 2018](#).*

1.52 *All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.*

1.53 *The [DPA 2018](#) supplements the [GDPR](#) and classifies an authority as both a Data Controller and a Data Processor.*

1.54 *All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.*

The council has a Privacy Notice, Website Accessibility Statement and FOI Publication Scheme published on the council website. I could not find an IT Policy on the council website, although the RFO was able to evidence the council has an IT and Cyber Policy in place and this needs to be added before 31 March 2026 for the council to meet the requirements of Governance Assertion 10.

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.

Confirm that the council meets regularly throughout the year

In addition to full council, the council has a committee structure in place with terms of reference published on the council website, along with details of committee membership.

A diary of future meeting dates is also published on the council website, along with historic agendas and minutes for council and committee meetings.

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 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 note the council publishes a report alongside the agenda for each meeting which contains the non-confidential supporting documents in accordance with the requirements of the Information Commissioner's Office.

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

Minutes are uploaded to the council website and clearly annotated as draft where applicable.

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 on 13 May 2025 (minute ref C019/25).

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

Financial Regulations are based on the previous NALC model and were last reviewed and adopted by council on 13 May 2025 (minute ref C019/25). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council. **I recommend the Financial Regulations are updated using the current NALC model to ensure that all the statutory requirements are included.**

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 £7,500 NET;*
- *a duly delegated committee of the council for items over £2,000 NET; or*
- *the Town Clerk, for any items valued at £2,000 NET and below.*

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Town Clerk. 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 Town Clerk may authorise revenue expenditure on behalf of the council which in the Town Clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £3,500. The Town Clerk (or Executive Officer in the absence of the Town Clerk), shall in the first instance advise the Chairman and/or the relevant Committee Chair of such an action and subsequently report this to the council as soon as practicable thereafter.*

Based on the level of financial activity of the council, and through discussion with the RFO, these authorisation thresholds appear appropriate.

The council has in place a system to segregate duties in terms of the setting up and subsequent release of payments made via online banking in accordance with the council's adopted Financial Regulations.

Confirm the council has adopted the General Power of Competence (GPC) and met the eligibility criteria at the time of adoption, or if GPC not adopted, confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £11.10 per elector

The council confirmed its eligibility and adopted the General Power of Competence (GPC) at the annual council meeting in May 2023, and the section 137 threshold does not apply.

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 2025 which showed a refund amount due of £8,896.50 and was fully supported by the required details. I was able to confirm receipt of this amount to the council's bank account on 23 October 2025. The council is up to date with its VAT submissions.

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

The council has a Risk Management Strategy and Governance and Risk Management Register in place, which was last reviewed and approved by council in May 2025. I reviewed the risk assessment record, which includes an outline of each risk, the impact, likelihood and severity of occurrence, the control measures in place, the review frequency, an overall risk score and any additional mitigation needed and by whom.

This is a comprehensive approach and includes analysis of all risks typically associated with a council of this size with its range of services and facilities.

I confirmed that the council has a valid insurance policy in place with Aviva Insurance through James Hallam Insurance Brokers which covers the year under review. The policy includes Public Liability cover of £10 million, Employers Liability cover of £10 million and an Internal Crime (Fidelity Guarantee) level of £1.5 million which is sufficient for a council of this size, although the council is advised to keep this figure under review to ensure it covers the maximum balance held.

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 £723,962 for 2025/26. With a tax base of 4,032.97, this equates to a band D equivalent of £179.51 (compared to the average in England of £92.92).

The Clerk confirmed that the 2026/27 budget setting process is underway with the planned final budget and precept due to be approved at the council meeting in January 2026.

The RFO confirmed that budget reports are reviewed at every meeting, with specific committee reports at those meetings and the entire budget at council meetings. A review of the year-to-date position shows income and expenditure is in line with expectations.

The council currently holds circa £550,000 in earmarked reserves, spread across a range of clearly identifiable projects, including amounts received from Community Infrastructure Levy (CIL) which are identified separately. I checked the purpose of these earmarked reserves with the RFO and am satisfied they are all for legitimate future planned projects of the council.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on the appropriate level of general reserves that councils should retain as below:

5.33 The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.

5.34 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.

5.35 The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.

5.36 In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income.

5.37 Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

A review of the general reserve balance will be conducted at the final internal audit and the council is advised to follow the above guidance in determining an appropriate 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 hall hires, cemetery income, allotments, advertising in the newsletter, grants, CIL, bank interest and VAT refunds.

From a review of the accounting records, income appears to be recorded with sufficient narrative detail to identify the source and allocated to the most appropriate nominal code. I tested a sample of invoices issued

for each aspect of the council's operations and was able to confirm rates charged were consistent with the council's published charging schedule.

FR 9.2 states '*Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.*'

The fees were most recently agreed in September 2025 as the initial party of the budget setting process, with the new fees taking effect from 1 April 2026.

I reviewed the outstanding balances on the sales ledger and found there are minimal amounts overdue, and in each instance, the RFO knew the reasons and confirmed that no amounts are at risk. This demonstrates the council has good credit control measures in place.

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 maintains a small petty cash float used for incidental expenditure. The petty cash is locked in a safe under the control of the RFO and petty cash vouchers are completed for each transaction. The petty cash is checked and balanced by the RFO on a monthly basis and the petty cash records are maintained within the accounting package.

A review of the vouchers shows that all petty cash items are genuine and other arrangements for payment would not have been appropriate.

I am satisfied that the council has in place appropriate measures for the safe management of petty cash.

G. PAYROLL

Internal audit requirement

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

Audit findings

The council has seven employees on the payroll. All staff members have a signed contract of employment, based on the NALC template, and the council is a member of the Local Government Pension Scheme (LGPS).

Payroll is processed is outsourced to a third party, who complete all the PAYE calculations and provide the information to the Clerk each month. I reviewed the payroll summary for the previous month, and the payroll deductions appear correct. I was able to confirm that HMRC and pensions payments are up to date and that the council is correctly not claiming the employment allowance for national insurance contributions.

There are no councillor allowances, although I reminded the RFO that if paid to eligible (elected) members, these must be processed through payroll and assessed for tax and national insurance.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on assets and asset registers as below:

5.58 The asset register should contain in its most simple form the date of acquisition, cost of acquisition, useful life estimate and location along with value held for investments; however, it is desirable for the register to contain other such supplementary information to enable the user to better understand the nature and scope of the use of the fixed asset. It is therefore recommended to show insurance value, replacement value, custodian, date last physically vouched.

5.59 Each authority may choose an appropriate minimum value for deciding between fixed assets and general consumables. The limit chosen will relate to expected useful life, whether the item would be included on an insurance claim and whether it is included in the risk assessment of the authority in any way. This minimum level is to be minuted and reviewed at least annually. The rationale and methodology should be recorded in the minutes.

5.60 One item or group of similar items shall be regarded for inclusion in the fixed asset register.

5.61 Assets should be first recorded in the asset register at their actual purchase cost.

5.62 Assets that are either under construction or have not been brought into use should be included on the asset register only once complete and they benefit the community.

5.63 Obsolete assets that are no longer in use or are awaiting disposal should be clearly recorded as such.

5.64 Where an authority receives an asset as a gift at zero cost, for example by community asset transfer, it should be included with a nominal one-pound (£1) value as a proxy for the zero cost.

5.65 Assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial) are often referred to as 'community assets'. Authorities should record community assets in the asset register in the same way as gifted assets.

5.66 The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.

5.67 For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.

5.68 Commercial concepts of depreciation, impairment adjustments, and revaluation are not required nor appropriate for this method of asset valuation.

5.69 The total value of an authority's assets recorded on the asset register as at 31 March each year is reported at Line 9 on the authority's AGAR. Authorities should be able to track and explain fully any changes in the asset register from year to year.

The council has a fixed asset register in place, maintained in an Excel format, which includes details of asset location, date of acquisition and original purchase price. Assets are correctly listed at cost/proxy cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register.

I confirmed by sample testing of the invoices that items added during the year has been accurately recorded as the original net purchase price.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on investments, and defines a long-term investment as below:

2.23 Short-term investments, which mainly include deposit and savings accounts typically provided by banks, are those that display the following characteristics:

- a. are denominated in pounds Sterling;*
- b. be realisable at full value on demand or have a maturity end date of not more than 12 months;*
- c. the whole of the original sum invested can, from the time that the investment is made, be accessed for use by the authority without any reduction; and*
- d. the authority has assessed the counterparty and is satisfied that the original sum invested is not subject to unreasonable risk.*

2.26 A long-term investment arises where the authority invests money in anything other than a short-term investment.

1.11 Arrangements need to be in place to ensure that the authority's funds are managed properly and that any amounts surplus to requirements is invested appropriately, in accordance with an approved strategy which needs to have regard to the government's [Statutory Guidance on Local Government Investments](#). If total investments are to exceed the threshold specified in the statutory guidance at any time during a financial year, the authority needs to produce and approve an annual Investment Strategy in accordance with the guidance.

The council has long-term investments and has adopted an Investment Strategy to support its future decision making on placement of funds in accordance with the statutory guide. The council currently has no long-term investments.

The council has borrowing through the Public Works Loan Board (PWLb) and confirmation of the figures for in year payments (box 5) and year-end balance (box 10) will be completed at the final internal audit against the PWLB statement and remittance advices.

I. BANK AND CASH

Internal audit requirement

Periodic bank account reconciliations were properly carried out during the year.

Audit findings

Financial Regulation 2.2 states 'On regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a member cheque/account signatory, shall verify bank reconciliations and credit card statements (for all accounts) produced by the RFO. The member shall sign the reconciliations, the original bank statements and the month-end Trial Balance as evidence of verification and additionally physically check and verify the Petty Cash held at that time This activity shall on conclusion be reported, including any exceptions, to and noted by the council.'

Bank reconciliations are completed monthly. I reviewed the latest bank reconciliation for all accounts and was able to confirm the balances to the bank statements and found no errors.

I was able to confirm that the bank reconciliations have been verified in accordance with Financial Regulations, and evidence of this activity taking place is recorded within the minutes of meetings.

As the council's annual budget exceeds the €500,000 (£430,950 as of 3 July comparative date) threshold, it is not protected by the Financial Services Compensation Scheme (FSCS).

The council currently holds accounts with Barclays and Unity Trust to mitigate the risk.

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), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.

Audit findings

To be tested at the final internal audit.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.

Audit findings

The council did not certify itself exempt in 2024/25 due to exceeding the income and expenditure limits and this test does not apply.

L: PUBLICATION OF INFORMATION

Internal audit requirement

The authority publishes information on a free to access website/webpage, up to date at the time of the internal audit in accordance with relevant legislation

Audit findings

The council is reminded that the following requirements apply.

For councils with a turnover over £25,000, it is recommended best practice to follow the Local Government Transparency Code 2015, but not a statutory requirement and therefore not subject to verification during the internal audit.

All councils are required to follow The Accounts and Audit Regulations which include the following requirements:

13(1) An authority must publish (which must include publication on that authority's website)

- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
- (b) the Annual Governance Statement approved in accordance with regulation 6(3)

13(2) Where documents are published under paragraph (1), the authority must

- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
- (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

Testing for publication to meet this requirement will be completed at the final internal audit.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority, during the previous year, correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2024/25 Actual
Date AGAR signed by council	13 May 2025
Date inspection notice issued	2 June 2025
Inspection period begins	3 June 2025
Inspection period ends	14 July 2025
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 2024/25, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the council.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority complied with the publication requirements for the prior year AGAR.

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2025 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 2024/25, approved and signed, page 4*
- *Section 2 - Accounting Statements 2024/25, approved and signed, page 5*

Not later than 30 September 2025 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 the Period of Public Rights and Section 1 (Annual Governance Statement) and Section 2 (Accounting Statement) were published on the council's website before 1 July 2025.

I was able to confirm that the Notice of Conclusion of Audit and External Auditor Report and Certificate were published on the council's website before 30 September 2025.

The council has therefore met the publication requirements for 2024/25.

O. TRUSTEESHIP

Internal audit requirement

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

Audit findings

The council has no trusts, and testing for this internal control objective is not applicable.

Achievement of control assertions at final internal audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives to date are summarised in the table below.

	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 Finance 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 the 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), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	To be tested at final internal audit		
K	If the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.			✓
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 the relevant legislation.	To be tested at final internal audit		
M	The authority, during the previous year correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
N	The authority complied with the publication requirements for prior year AGAR.	✓		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please contact me directly on andy@mulberrylas.co.uk or 07428 647069

Yours sincerely



Andy Beams

Director, Mulberry Local Authority Services Ltd

Interim Internal Audit - Points Carried Forward

Audit Point	Interim Audit Findings	Council comments
B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	<p>I recommend that the form is amended to include formal acceptance to receive information by electronic means in the form <i>"As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time."</i></p> <p>I recommend the Financial Regulations are updated using the current NALC model to ensure that all the statutory requirements are included.</p>	