

Report to Saffron Walden Parish Council

Interim Internal Audit of the Accounts for period ending 30th September 2023

The primary objective of Internal Audit is to independently review, appraise and provide assurance upon the control environment, making sure that controls are mitigating the Council from increased risk exposure, and to achieve this, the internal auditor will adopt a predominantly systems-based approach to audit.

The Accounts for the year ending 30th September 2023 can be summarized as follows:

Income for year:	£ 1,460,027(rounded)
Expenditure for year:	£ 648,646(rounded)
Precept figure:	£ 1,263,606 (rounded)

The following Internal Audit work was conducted on the adequacy of systems of internal control in accordance with the scope previously approved by the Council with particular emphasis upon the following:

- Review and assess the soundness, adequacy, effectiveness and reliability of financial and performance management systems
- Review and assess the efficiency and effectiveness of internal control arrangements and working practices and make recommendations to improve these where appropriate
- Review and assess the adequacy of procedures to ensure the Council's assets and interests are adequately protected and risks are identified and effectively managed
- Check for compliance with legislation and the Council's integrity and ethical standards, policies and procedures

Comments and any recommendations arising from the review are made overleaf.

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Subject & tests conducted	Comments/Recommendations
<p>1. Proper book-keeping. Examination of</p> <ul style="list-style-type: none"> • Cashbook • Reconciliations of cashbook 	<p>The council continues to use the Omega Financial Software accounting package which produces reports on an Income and Expenditure basis. The software is now cloud based allowing for the software to be accessed via a browser with centrally managed back-ups and upgrades thereby adding an extra layer of encryption and security measures. Council follows Proper Practices in ensuring that its accounting procedure gives a more accurate presentation of an authority's true financial position by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance. Data entered in a timely manner allows accurate information to be gathered to enable decisions to be made with regards to planning and forecasting. The financial software used by the Council allows the automation of many of its transactions involving income and expenditure and employee payroll, as well as reports and financial statements.</p> <p>The cashbook is reconciled on a monthly basis, regularly verified against bank statements and contains entries from day to day of all sums of money received and expended by the council along with matters to which the income and expenditure relates. In accordance with good practice, the accounting records also contain a record of income and expenditure in relation to claims made for contribution, grant or subsidies from a government department or other public body. The reconciliations conducted allow for the process of comparing internal records against statements from financial institutions and other external sources to ensure money that exits in an account matches money spent.</p> <p><i>Comment: The Responsible Financial Officer (RFO) continues to be mindful of Proper Practices, by ensuring that effective procedures are in place to record all financial transactions accurately and promptly, and that the accounting records are kept up to date throughout the year, together with all necessary supporting information.</i></p> <p>Spot checks were made and were found to be correct. Journal entries between cost codes for the year under review were seen and verified with supporting documentation reviewed. The RFO has ensured that the cash book is the focus for day-to-day accounting and is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system.</p> <p><i>Comment: Council continues to follow Proper Practices in ensuring that its accounting procedure gives a more accurate presentation of an authority's true financial position by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance. As previously identified, for further transparency and scrutiny, the RFO, in accordance with best practice, has referenced all payments and receipts with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i></p>

<p>2. Payment controls. Examination of:</p> <ul style="list-style-type: none"> • Understanding of the process involved for reclaiming VAT • Expenditure controls • Internet Banking controls • Procurement controls • General power of competence • Public Works Loans • Tourist Information Centre 	<p>VAT is identified in the cash book and reclaimed on a quarterly basis. The VAT Assessment File for the first and second quarters, as produced by the accounting package operated by the RFO were reviewed and verified. The period-end figure of £30,003.13 is verified and evidenced on the Trial Balance and is still to be settled. Settlement of the accounts for the final quarter of 2022-2023 in the sum of £34,411.92 was evidenced from the Council’s bank statements. <i>Comment: VAT has been appropriately identified in relation and correctly coded according to the Council’s business and non-business activities within the financial records of the software used by council and the Council has robust arrangements in place for managing its responsibilities regarding VAT.</i></p> <p>A selection of random payments were cross checked against cheque book/payment authorisation slips, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. A further spot check of items paid via the BACS/Direct Debit system from the Council's Accounts were cross checked against cashbook, bank statements and invoices. All were found to be in order. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved. <i>Comment: in accordance with Financial Regulation 5.6, for each financial year the Clerk and RFO has drawn up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council or a duly authorised committee, may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council or Finance Committee.</i></p> <p>In accordance with its scheme of delegated powers, as agreed by full Council, all expenditure is presented to Finance and Establishment on a monthly basis for review. Council has ensured that, for the settlement of its invoices by both cheque and BACS, and in accordance with Financial Regulation 6.8, there is a two-tier authorisation system which ensures that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories. A review of the procedures followed for receipt of invoices, agreement of invoice detail and confirmation of goods or services delivery along with approval for payments was undertaken on 22 individual payments in the period between 1st April to 30th September 2023 and it is confirmed that Council is therefore operating within Financial Regulations 5.2; 6.8 and 6.9. <i>Comment: this system continues to protect the RFO as well as fulfilling an internal control objective to ensure the safeguarding of public money thereby allowing Council to ensure that it</i></p>
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	<p><i>has maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.</i></p> <p>Council continues to show good practice by ensuring that, on receipt of invoices, verification that the relevant goods or services have been received is obtained and invoices checked to ensure that the arithmetic is correct, agreed discounts have been deducted and everything is acceptable regarding reclaiming the VAT.</p> <p>The Council's Purchase Order file for items ordered in accordance with Council's own Financial Regulations was reviewed during the internal audit visit. A random sample of orders placed during the period under review shows that Council has operated within its own Financial Regulations within the limits set for the purchase of goods and services above which three estimates or quotes should be invited from persons or firms competent to do the work. <i>Comment: Council continues to follow good practice by ensuring that an official order is issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Council further demonstrates good practise by understanding that official orders both commit a supplier to a price and help prevent unauthorised credit being granted in the authority's name. In accordance with proper practises, on receipt of invoices, verification that the relevant goods or services have been received is obtained and invoices are checked to ensure that the arithmetic is correct, agreed discounts have been deducted and everything is acceptable regarding reclaiming the VAT. The Purchase Order file is numerically held and controlled by the Clerk.</i></p> <p>The contracts in place for the year 2023-2024 were reviewed and found to be in order. Council's Officers have ensured that, where relevant they have complied with Council's adopted Standing Orders and Financial Regulations in terms of procurement and where those regulations require an open invitation and a formal tender process, they have followed them. <i>Comment: Council has understood that where the legislation applies, as a contracting authority, it must, in general, meet their contractual requirements for goods, works and services by means of an advertised competitive contract award process that is based on objective, relevant and proportionate criteria. Council might wish to note that if it invites specific firms to tender, it should ensure that the reasons for such an action is recorded in accordance with guidance and where the opportunity was not advertised, it must still publish the awarding of the contract (over £30,000 thereafter) on the Contracts Finder within a reasonable time limit.</i></p> <p>Council continues to be mindful of guidance covering the procedures for the management of capital projects which are covered by Council's Standing Orders, and which should require</p>
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	<p>payments only against certified completions under a planned and approved programme of works governed by a properly negotiated contract supervised by a named authority officer.</p> <p>Council, having declared that it fulfilled the eligibility criteria to use the general power of competence (at least two-thirds elected members and a qualified Clerk (CiLCA or higher)), resolved at the meeting of 15th May 2023, to use the power until the next relevant Annual Council Meeting (May 2027).</p> <p>Council operates a Grants Policy with grants being awarded under the following categories: Small Grants Scheme; Youth Partnership; Resilience Funds and Hall Hire Grants. Separate grants are awarded to the Citizens Advice Bureau and the Uttlesford Community Transport in accordance with the Annual Budget set.</p> <p><i>Comment: the Council operates the above grants within the remit of its Grants Policy which aims to ensure that funding is distributed to those who need it most, whether it is working with disadvantaged groups, health, social inclusion, sports events, charitable events, a trip or new initiatives and projects. The Policy is adhered to, regularly reviewed and considered fit for purpose.</i></p> <p>The council has the following Public Works Board Loan: Town Hall £200,000 which was drawn down in March 2017 PW505280. Interest repayments are to be made twice yearly on the nearest working day to 20 March & 20 September and the rate of 2.28% has been applied. The half yearly annuity payments of £6,254.30 were made on 20th September 2023. Balance outstanding as at 31st March 2023 was seen and verified as £149,201.54.</p> <p>Council continues with the process whereby details of the profit and loss account, monthly report and shop sales for the Tourist Information Centre are received and noted by the Finance & Establishment Committee on a monthly basis. An examination of the underlying accounting records relating to the Tourist Information Centre and the submission of invoices for payment to the Town Council was conducted during the internal audit visit. Purchases are made against invoices which are submitted against an order and reconciled by the Manager prior to presenting same to the Town Council for payment. The procedures for cash and cheques as operated by the Tourist Information Centre are clearly referenced within the Town Council’s Risk Assessment and Procedures and fully implemented by the Tourist Information Centre staff.</p> <p><i>Comment: these examinations undertaken do not constitute a full audit but during the visit there were no matters which came to the Internal Auditor’s attention suggesting that further investigative work be conducted to enable a proper understanding of the accounts as submitted.</i></p>
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<p>3. Budgetary controls. Examination of:</p> <ul style="list-style-type: none"> • Verification of process of setting of budget • Monitoring of budget • Reporting of expenditure and variances • Monitoring reserves 	<p>At the meeting of 9th January 2023, Council resolved to adopt the budget for 2023 - 2024 in the sum of £2,099,719 which allowing for budgeted income and capital expenditure reserves would equate to a precept request in the sum of £1,263,606. The minutes and associated paperwork demonstrate that this would equate to a 2% increase on a Band D (£183.29) against a tax base of 6,893.98. The approved budgeted expenditure was agreed at £1,543,286 with budgeted income at £279,681.</p> <p>A review of the budget including detailed income and expenditure position was reported throughout the period at the Finance and Establishment Committee Meetings with corrective actions being approved and evidenced within the minutes of each relevant meeting and such minutes being adopted at the next relevant full Council meeting. Evidence was seen of budget to actual reports with committed expenditure and funds available breakdown. Expenditure breakdown by heading is provided to Finance and Establishment Committee Meeting with detailed income and expenditure by account for currently funded projects thereby allowing further analysis in showing percentage of income / expenditure against budget.</p> <p>The minutes of the meeting of full Council of 15th May 2023, provide clarity on the amended budget adopted for the year 2023-24 following consideration of carry forward figures. The revised approved budgeted expenditure would now equate to £1,607,274 with budgeted income generated by the council at £282,317.</p> <p><i>Comment: Council continues to show good practice by following the recommended key stages as to the budgetary process to be followed for the year.</i></p> <p>The Council maintains a rolling 4-Year Business Plan (2023 - 2027) which details the Council’s overall vision and objectives, strategic planning/key projects, communication/engagement, a listing of specific actions with measurable outcomes and areas of active involvement. Assessment of the projects identified is regularly reviewed in terms of suitability, feasibility, acceptability and risk. At the meeting of full Council of 11th September 2023, the Plan being a ‘living’ document was reviewed and updated with agreement that the priorities as identified be adopted and considered alongside the budget setting process. A further review is due to take place in January 2024 once the 2024/2025 budget has been confirmed.</p> <p>Council continues with the practice of ensuring that virements between budgets are considered by the Finance and Establishment Committee and recommended for approval to the Town Council as and when they arise, subject to FR 4.2 which states that “No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the</p>
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	<p>budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement'). The Clerk and RFO are authorised to vire monies within budgets to a maximum of £4,000 per item.</p> <p>A scan of the minutes did not give rise to any unusual financial activity and there were no actions of a potentially unlawful nature being considered.</p> <p>Council's Financial Regulations as adopted by full Council details under FR4.5 the expenditure on revenue items that may be authorised by the clerk 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 £50,000.00. The Clerk shall report such action to the chair of the council as soon as possible and to the council as soon as practicable thereafter.</p> <p><i>Comment: Council follows best practice by ensuring that such an action is evidenced by a minute or by an authorisation slip duly signed by the Clerk and where necessary also by the appropriate Chair.</i></p> <p>The Council, at period-end, had overall reserves totalling £904,125 broken down as General Reserves at £297,715 and agreed Earmarked Reserves of £606,410. The current year fund stands at £603,088. A review of the allocation of the Earmarked Reserves is due to be undertaken by the Finance and Establishment Committee on 16th October 2023.</p> <p>Council has, within its own Reserve Policy, (as reviewed and adopted by the Finance and Establishment Committee in September 2023) set a limit to be held for its general reserve and is aware that this will be subject to further reviews to include cash flow requirements, inflationary and interest rates, diversification of funds to spread risk and optimize interest returns prior to year-end adjustments to maintain the prescribed level.</p> <p><i>Comment: Council is aware of the guidance as issued by Proper Practices (March 2023) which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be maintained at between three and twelve months of Net Revenue Expenditure and that it should ensure that the level of general reserves adopted is in accordance with its general reserve policy. It is still generally held that councils with income and expenditure in excess of £200,000 should plan towards three months equivalent general reserve and that those councils with self-generated income, should take into account situations that may lead to a loss of revenue as well as increased costs.</i></p>
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	<p>Whilst there is no upper or lower limit to EMRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting) Council has ensure that they are separately identified and enumerated and that they are held for genuine and intended purposes and their level is subject to regular review and justification.</p>
<p>4. Income controls. Examination of:</p> <ul style="list-style-type: none"> • Precept • Other income <ul style="list-style-type: none"> ➤ Allotment fees ➤ Hall hire fees ➤ Market fees ➤ Burial and associated fees • Aged Debtor Listings 	<p>Council received precept in the sum of £1,263,605.00 from Uttlesford District Council for the period under review in April and September, both having been reported to the Finance and Establishment Committee in accordance with Council’s own Standing Orders. Evidence was provided showing a full audit trail from Precept being discussed and approved at the meeting of 21st January 2022 to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the Council’s Bank Account.</p> <p>During the period under review, Council received income from a number of identified sources all of which was banked intact with the transactions identified within the accounting system operated by the Responsible Financial Officer. A sample review of the control rents for the market, allotments, hall hire and sports ground hire fees along with associated documentation was undertaken during the internal audit visit and all expected income was found to be based on the correct price, properly recorded and promptly banked with VAT (where appropriate) accounted for. Further spot checks during the year-end internal audit visit on further items paid under BACS / Direct Credit into the Council's Accounts were cross checked against cashbook, bank statements and invoices raised by the Parish Council. All were found to be in order with a clear underlying audit trail.</p> <p>Income is recorded in accordance with Financial Regulations and reported to the Finance and Establishment Committee on a monthly basis which is broken down by budget code with a year to date including comparison of income year to date against previous years.</p> <p>In accordance with Financial Regulation 9.3, Council is in the process of reviewing fees and charges for both market and allotment rents with a review of hall / room hire and sport grounds hire fees to be conducted prior to the end of the financial year. Reports submitted to the Assets and Services Committee of 25th September 2023 highlight the review that has been undertaken and recommendations submitted. Council has ensured that appropriate control procedures are in place and documentation is in existence to provide a clear audit trail from invoicing through to recovery of all such income.</p> <p>As a Burial Authority and in accordance with proper practices, Council has ensured that it maintains a formal burial register which is up-to-date and accurately held. A review of a sample of interments and memorials will be conducted at the annual internal audit review to ascertain</p>

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	<p>whether they can be appropriately evidenced, and fees have been charged at the correct approved rate and recovered within a reasonable time. A review of the Council’s schedule of fees charged are due to be submitted to full Council later in the year for implementation in the following year.</p> <p>The outstanding sales ledger invoices for the period ending 30th September 2023 was seen and verified. The RFO has advised that there are no irrecoverable accounts for consideration as bad debts and appropriate follow up action is in place.</p> <p><i>Comment: Council is aware that Proper Guidance states that uncollectible amounts, including bad debts, should only be written off with the approval of members, or under delegated authority by the RFO and that such approval should be shown in the accounting records.</i></p>
<p>5. Petty cash/expenses procedure. Examination of:</p> <ul style="list-style-type: none"> • System of control • Supporting documentation 	<p>Petty cash is operated and managed in accordance with Council’s own Financial Regulation 6.18a. All petty cash payments are supported by receipts and are entered into the petty cash book. Petty cash reconciliations are conducted on a monthly basis and cheques raised to ensure sufficient funds to allow the float to be adequately maintained. A spot check of items recorded in the cash book were checked against receipts and cash book sheets and found to be in order. The petty cash funds are kept in a locked drawer.</p> <p><i>Comment: in accordance with Proper Practises, the petty cash float is adequate in size to meet small items of expenditure and does not require reimbursement more frequently than once a month. Adequate records of the receipts and payments have been maintained for each float, including a VAT analysis, and regular reconciliations are performed. The RFO has ensured that the petty cash system is operated in accordance with FR 6.18 for the purpose of defraying operational and other expenses.</i></p>
<p>6. Payroll controls. Examination of:</p> <ul style="list-style-type: none"> • Management of payroll • PAYE/NIC system in place • Compliance with HMRC procedures • Records (relating to contracts of employment) • Mayoral Allowance 	<p>The council's payroll service is outsourced and has been operated properly and overseen by the council as an employer. The council is a member of the Local Government Pension scheme (LGPS). At year-end, Council had 35 employees on its payroll, 19 of which are members of the Local Government Pensions Scheme as operated by Essex County Council and for all staff, a formal employment contract is in place together. Where appropriate, confirmatory letters setting out any changes to the contract are issued.</p> <p>Cross-checks were completed on a sample of items each of salary, PAYE and pension contributions and these were all found to be in order. Salaries are paid in accordance with contracted hours worked and timesheets for office staff and labour including those for overtime were seen. Gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours. Overtime paid to employees is implemented as per Financial Regulation 7.1.</p>

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	<p>PAYE taxes and employee and employer National Insurance contributions (NIC) are calculated and recorded for every employee. Deductions are paid to HM Revenue and Customs and Essex County Council on or before the dates prescribed.</p> <p><i>Comment: in accordance with Proper Practices, Council has ensured that the remuneration payable to all employees has been approved in advance by the Council. There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the Council has complied with its duties under employment legislation and has met its pension obligations.</i></p> <p>Within the annual budget set is a sum for the Mayor’s Allowance which for the year 2023-2024 was set at £3,000. Expenditure incurred totalled £1,353 for the year under review,</p> <p><i>Comment: Council is aware that section 15(5) of the LGA 1972 provides that Parish (and Town) Councils may for its Mayor “for the purpose of enabling them to meet the expenses of their office such allowance as the council think reasonable”.</i></p>
<p>7. Bank reconciliation.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Reconciliations • Cashbook • Bank Statements • Monitoring of investments • Approval of new investments 	<p>Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the detailed financial reports submitted to the Finance and Establishment Committee and as reported in the minutes of the committee submitted to full Council. Detailed Balance Sheets along with Detailed Profit and Loss Account Reports are also submitted in accordance with the timescales prescribed within Council’s Standing Orders and form part of the minutes that are retained in hard copy by the Council.</p> <p><i>Comment: Council continues with the implemented system whereby the monthly reconciled bank accounts are presented to the Finance and Establishment Committee and follows good practice by ensuring that the reconciliation of the cash book to bank statements is reported to members, and the full reconciliation made available for scrutiny each time it is done. Approval of the bank reconciliation by the authority or the chair of the committee or another authority nominee is not only good practice but is also a safeguard for the RFO and fulfils one of the authority’s internal control objectives.</i></p> <p>Bank balances as at 30th September 2023 agree with the year-end bank statements: £1,507,212.86 which are broken down as follows: Current Account: £50,0192.59 30 Day Deposit Account: £1,457,623.37 o/s Cheques: £603.10</p> <p><i>Comment: Council continues to operate with a sweep account which is linked to its investment account and automatically transfers funds when the balances is above or below a preset minimum. This allows excess to be moved into a higher interest account where it will earn more money than an ordinary bank account.</i></p>

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	<p>At its meeting of 18th September 2023, Council, mindful that under statute it is required to maintain adequate financial reserves to meet its needs, reviewed its adopted Investment Policy which was deemed to be appropriate and suitable for the coming financial year. In accordance with Council’s own Investment Policy & Procedures, authorisation for funds to be prudently invested for maximum periods is given by the Chair and Vice-Chair of the Finance and Establishment Committee in conjunction with the Responsible Financial Officer. Such actions, once undertaken are reported at the following meeting of the Committee or full Council, whichever is first. The meeting of 18th September 2023 further approved amendments to the sums and term for investments to improve the return to the Council along with authorisation for the RFO to place on investment a sum of £500,000 for 12 months and a further £500,000 on a medium-term basis of up to six months.</p>
<p>8. Internal Audit: Examination of:</p> <ul style="list-style-type: none"> • Reporting of Previous Internal Audit Reports • Review of internal audit • Appointment of internal auditor 	<p>The narrative Internal Audit Report to accompany the Annual Internal Audit Report (from the Annual Governance and Accountability Return) for the period ending 31st March 2023 was considered at a meeting of the Finance and Establishment Committee of 22nd May 2023 with formal adoption of the report by Full Council at its meeting of 12th June 2023.</p> <p>The following recommendations having been considered by the Finance and Establishment Committee, have been / are in the process of being implemented:</p> <ol style="list-style-type: none"> 1. Review of the Fidelity Guarantee (Management Liability) which should be at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May. <p>Mrs Waples was appointed to act as the parish council’s independent internal auditor for the year 2023 – 2024 at the meeting of the Finance and Establishment Committee of 19th June 2023 (minutes of which were received and noted by full Council at the meeting of 10th July 2023) whereby approval of the documents and processes covering the work of the internal auditor, risk assessments and internal control measures was given.</p> <p><i>Comment: Council, in accordance with the Accounts and Audit Regulations 2015, has noted the requirements to formally reviewed the scope and effectiveness of its internal audit arrangements following receipt of the audit plan proposed and considered that such arrangements were appropriate for the council and that the audit plan properly took account of all of the risks facing the Council.</i></p>
<p>9. External Audit Examination of:</p> <ul style="list-style-type: none"> • Reporting of External Audit Report • Publication of final certificate 	<p>The External Audit Report and Certificate for the year ending 31st March 2023, having been received by the Council in September 2023, is to be submitted to and considered by Finance and Establishment Committee at its meeting on on 16th October 2023 with formal adoption expected by full Council at a later date.</p>

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	<p><i>Comment: Council has noted the provisions of Regulation 20 (in part) of the Accounts and Audit Regulations 2015 which states that the annual audit letter received from the auditor must be considered by the authority and published (including publication on the authority’s website) and to permit copies to be purchased.</i></p> <p>There were no matters which came to the attention of the external auditor that gave cause for concern that relevant legislation and regulatory requirements that have not been met.</p> <p>The following comments are to be noted, which relates to the treatment of the year-end position in relating to the income and expenditure account: “The AGAR was not accurately completed before submission for review. The AGAR has been amended.”</p> <p>The Internal Auditor is able to verify that the external auditor report, certificate, conclusion of the external audit along with the auditor’s certificate have been published on the Council’s website. Details as to how copies may be purchased have also been included.</p> <p><i>Comment: Council has ensured that it has complied with the Regulation 16 of the Accounts and Audit Regulations 2015, as it has demonstrated that, following the conclusion of the audit, it has published a statement saying that the audit has been concluded and given the details of the public’s rights of inspection under section 25 of the 2014 Act (Local Audit and Accountability Act 2014) stating where and when those rights may be exercised.</i></p>
<p>10. Period-end procedures.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Appropriate accounting procedures used • Bank Statements and Cash Book agree • Debtors and Creditors properly recorded • Was there the opportunity provided for the exercise of electors’ rights during Summer 2023? • Have the publication requirements been met in accordance with the Audit & Accounts Regulations of 2015 for the year ending 31st March 2023. 	<p>The Internal Auditor confirms that having reviewed the period-end files, there is a full underlying financial trail from financial records to the accounts produced. Debtors and creditors have been properly recorded and the RFO has continued to ensure that the Council’s accounting software contains and records details on its assets and liabilities including the asset and investment register and other debts. As is generally recognised, having produced Income and Expenditure Accounts with debtors, creditors and period end cut-off, Council uses a proprietary accounting software thereby allowing accurate tracking of transactions that will allow for comparisons over differing accounting periods.</p> <p><i>Comment: Council is aware that its balance sheet provides a snapshot at a given point in time of the council’s net worth thereby identifying its assets and liabilities and that year-end procedures will allow the Council to ascertain the result of either a surplus or a deficit for the year under review.</i></p> <p>Members approved the dates for the period of public rights and the publication of the unaudited Annual Governance and Accountability Return (AGAR) at the full council meeting of 12th June 2023. The internal auditor is able to confirm that the notice of the public rights was seen on the website and can confirm that the dates set were 19th June to 28th July 2023.</p> <p><i>Comment: Council is aware that, to positively demonstrate that it has provided for the exercise of elector’s rights and that the dates set are in accordance with the period specified within the</i></p>

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	<p><i>Accounts and Audit Regulations 2015, it is advised to not only publish the dates set but to also record in the minutes the agreed dates. Evidence of the proper provision for the exercise of the public rights is usually by means of publication of the supplied form on the Council’s website and a minute reference at the meeting at which the RFO confirms the dates set.</i></p> <p>Following a review of the documentation on the Council’s website, the internal auditor is able to verify that the following are to be found on the Council’s website, published in accordance with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 but not exceeding £6.5 million for the year ending 31st March 2023:</p> <p>Annual Internal Audit Report of the AGAR Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Notice of the period for the exercise of public rights Notice of Conclusion of Audit Section 3 – External Auditor Report and Certificate Sections 1 and 2 of the AGAR as audited.</p> <p><i>Comment: Council has also noted best practice which states that the Annual Internal Audit Report (page 3 of the AGAR) should also be published. This is to avoid any potential confusion by local electors and interested parties.</i></p>
<p>11. Transparency Code. Examination of:</p> <ul style="list-style-type: none"> • Transparency code requirements 	<p>Council is working towards ensuring compliancy with the minimum datasets that should be published on a quarterly basis as per the requirements as set out in the Local Government Transparency Code (2015), with a range of documents relating to the current year being able to view on the Council’s website.</p> <p>For Saffron Walden Town Council, the transparency code requirements include the publication of quarterly reporting of spending transactions valued over £500; quarterly reporting of invitation to tender for contracts over £5,000; quarterly publication of details of every transaction on a government procurement card; the annual reporting of organisational charts; annual reporting of details of remuneration and job title of certain senior employees whose salary is at least £50,000; annual reporting of all grants made to voluntary, community and social enterprise organisations and the annual reporting of the location of public land and assets.</p> <p>Recommendation: the Town Council should consider reviewing the frequency of information that is to be uploaded to its website which should include but is not limited to: Invitations to Tender exceeding £5,000 (publish quarterly), Contracts awarded exceeding £5,000 (publish</p>

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	<p>quarterly); Details of all grants given (publish annually); Details of all land and building assets (publish annually). <i>Comment: Appendix A of the Local Government Transparency Code 2015 (published February 2015) provides further details of all information to be published along with relevant timescales. A review of the Council’s website is recommended over the coming months to enable the Council to ensure that (at least) current year documentation is uploaded thereby providing for the Council’s compliance with the principle of the right to access to all relevant documentation within the public domain.</i> A link to the guide can be found at: https://www.gov.uk/government/publications/local-government-transparency-code-2015</p>
<p>12. Summary</p>	<p>The Internal Auditor offers her appreciation for the assistance given by the Town Clerk, Responsible Financial Officer and Officers in completing this audit.</p> <p>Council has continued to maintain effective governance arrangements and can show evidence of strong governance and good financial practice. The internal audit review, undertaken on the documentation provided during the visit to the Council’s Offices as well as from that found online via the Council’s website, has provided evidence of the overall adequacy of the financial arrangements in place within the council.</p> <p><i>For further information on the changes to Proper Practises for the year effective 1st April 2023 please refer to Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements - March 2023.</i></p>

Victoria S Waples

Date of Internal Audit Visit: 12.10.2023

Date of Period-end Internal Audit Report: 13.10.2023

Victoria S Waples, PSLCC, CiLCA, BA(Hons),
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