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Clerk to the Council
Hunston Parish Council
Hunston Village Hall
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22nd October 2025

Dear Carol

Re: Hunston Parish Council
Internal Audit for Financial Year Ended 31 March 2026 – Interim Audit report

Executive summary
Following the completion of our interim internal audit on 22nd of October 2025, we are pleased to enclose our report for your review and subsequent presentation to the Council. The audit was conducted in accordance with current professional standards and guidelines, employing a risk-based approach to our testing. While not all transactions were examined, our sample testing—where appropriate—covered the full financial year to date.

The structure of this report aligns with the assertions set out in the Internal Auditor Report section of the published Annual Governance and Accountability Return (AGAR). Each section begins with a summary of the assertion being assessed, followed by details of the testing undertaken, which was guided by the audit plan previously shared with the Council. A copy of the audit plan is available upon request. The report concludes with our opinion on whether each assertion has been met as of the date of the audit. **Any recommendations for action are highlighted in bold and summarised in the table at the end of the report.**

Our testing did not identify any procedural errors requiring reporting to the external auditor, nor did we observe any material weaknesses in internal controls that would pose a risk to public funds.

We are pleased to report that, overall, the systems and procedures currently in place are appropriate and effective. While this report may include recommendations for improvement, these should not be viewed as indicators of significant deficiencies. Rather, they are intended to support the continued development of what is, in our view, a well-managed and robust governance framework.

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 and objective assurance function that supports the improvement of an organisation's operations. It enables the organisation to achieve its objectives by applying a systematic, disciplined approach to the evaluation and enhancement of risk management, control, and governance processes.

The primary purpose of internal audit is to assess and report to the authority on the effectiveness of its financial systems and other internal controls, including the operational procedures that support its activities.

The internal audit function involves testing and evaluating whether the authority's internal control framework is both adequate and functioning effectively. Internal audit reports should be made available to all Members, providing a basis for informed decision-making when considering the authority's approval of the Annual Governance Statement.

Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry Local Authority Services Ltd, who has over 30 years' experience in the financial sector with the last 14 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 within the Council's financial systems is low. The internal control environment is considered reliable, and as such, substantive testing of individual transactions is not deemed necessary at this stage.

Audit testing will therefore consist of **walk-through testing** on a selection of sample data, covering the period under review within the current council year. This approach is designed to confirm that key controls are operating effectively throughout the financial period.

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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 Clerk who is also the Responsible Financial Officer (RFO). The Clerk had prepared much of the information advised in advance of the visit, and overall, I have the impression that accounting records are neatly maintained and readily accessible. Other information was reviewed through discussion with the Clerk and a review of the council website https://www.hunstonparishcouncil.gov.uk/

The council continues to use the EasyPC accounting package for recording the council's finances. This is a bespoke system for Town & Parish Councils. The financial reporting package is updated regularly and consistently with each user responsible for their own key functions. The financial reporting system is used to produce management information for review by councillors to facilitate effective financial decision making.

There are two users. Passwords are not routinely prompted to change. The council also uses other cloud based system such as Microsoft. The EasyPC system is hosted on a cloud server together with along with other applications. The Clerk manages the users and will add and remove leavers as and when required.

For each meeting a close down is performed by the Clerk, various reports are printed and filed in soft copy, and hard copy these include but are not limited to, income and expenditure against budget, bank reconciliations and other reports as fit. The reports are standard template-based reports, they are easy to read and logically presented. 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.

I conducted a simple walk-through test on a supplier invoice drawn at random and can confirm the underlying documentation was locatable and agreed to the cashbook details. All invoices are filed in hard copy by month. This simple system is entirely appropriate for a council of this size.

I tested the opening balances as at 1/4/25 by reviewing the balance brought forward in the cashbook and confirmed it could be agreed back to the investment reconciliation for the audited accounts for 2024/25 with both documents showing £65,177.77.

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

The council is not VAT registered; the last VAT reclaim was for the year ended 31st March 25. The council usually completes one reclaim per annum and given the size of the council this is appropriate. The refund of £4,258.75 was received on 29/5/25. This shows the council is up to date with its financial postings.

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

I am of the opinion that the control objective has been met.

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

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. A formal acceptance to receive information by electronic means *"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*"; was asked for in the May 2025 meeting, this needs to be followed up. **I recommend a written signable declaration is produced.**

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

Confirm that the council is compliant with GDPR

It was noted the council has established .gov email address for all staff and councillors.

A single common email 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 demonstrated that it has taken robust steps towards compliance with Assertion 10. The Clerk demonstrated she understood the requirements, and I am under no doubt this council will continue to maintain best practice compliance. **However, I recommend a data audit is undertaken prior to 31st March 2026 and I have sign posted the Clerk to a council where a data audit can be seen in practice for a similar sized council.**

Confirm that the council meets regularly throughout the year
Full council meets circa six times per annum with committees & working groups as required. The last committee was disbanded at the end of 24/25.

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

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.

The council correctly publishes supporting documentation with the agendas as outlined by the Information Commissioner's Office (page 3 of this link) www.ico.org.uk/minutesandagendas

Check the draft minutes of the last meeting(s) are on the council's website
Draft minutes are routinely and consistently uploaded to the council website and can be agreed to the signed minutes.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months
The Standing Orders are based on the NALC model. They were last reviewed in May 2025 (Minute ref 45/25c)

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations
Financial Regulations are based on the new NALC model. They were last reviewed in May 2025 (Minute ref 45/25c). The council also as a corresponding scheme of delegation, although not published.

I noted there was an error on the contents page of the financial regulations, this is being reviewed by the Clerk, with a view to republication.

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:

5.15. Individual purchases within an agreed budget for that type of expenditure may be authorised by: • [the Clerk], under delegated authority, for any items below £500 excluding VAT. • the Clerk, in consultation with the Chair of the Council for any items below [£2,000] excluding VAT. • the council for all items over £5,000; Such authorisation must be supported by a minute (in the case of council or committee decisions) or other auditable evidence trail.

5.16. No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of the council or make any contract on behalf of the council.

5.17. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council except in an emergency.

It is noted that there are some square brackets in 5.15 – I recommend the financial regulations is reviewed by the Clerk and republished.

Based on the Council's level of financial activity and following discussions with the Clerk, the current authorisation thresholds appear appropriate.

The clerk was able to demonstrate that the necessary approvals were obtained for a sample of invoices over the £500 threshold and that financial regulations are being followed. **I would however recommend that the minutes show the financial amounts when approval is given.**

The clerk described the system the council has in place to ensure budgets are monitored before expenditure is authorised. This is a robust system for a council of this size.

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, and has sufficient individuals authorised to complete these steps, minimising the risk of being unable to make payments in a timely fashion.

I reviewed the published minutes of the full council and note that all the payments are listed and approved in accordance with 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 does not have the GPC. S137 thresholds apply. The spending at the audit date is within thresholds.

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.

I am of the opinion that the control objective has been met.

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's adopted Financial Regulations include a section covering Risk Management and state:

2.1. The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management. 2.2. The Clerk shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually. 2.3. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration by the council. 2.4. At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.

The council has a simple risk policy which details the councils' approach to risk, together with a matrix of risks and measures to mitigate them. This was last reviewed in January 2025 minute ref 11/25c and is entirely appropriate for a council of this size.

I recommend a diary list of policies is created to ensure review dates are not overlooked.

I confirmed that the council has a valid insurance policy in place with Clear Councils Insurance which covers the year under review. The policy includes Public Liability cover of £10 million, Employers Liability cover of £5 million and a Fraud & Dishonesty (Fidelity Guarantee) level of £250,000 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.

I am of the opinion that the control objective has been met.

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 £76,423 in the meeting of the 20th January 2025, minute ref 16/25c. This was agreed to the underlying accounts and has been correctly posted.

The Clerk confirmed that the 2026/27 budget and precept will start next week with deadlines achievable.

The budget report dated 30th of September 2025 shows the council is aiming for a small surplus position. The council has had the majority of its income due to receipt of the second precept in September and is approximately halfway through its expenditure budget. There is no evidence to suggest that the budget has not been accurately set and carefully monitored throughout the year.

There is evidence within the minutes of meetings that councillors regularly receive budget reports together with a verbal narrative, providing them with sufficient financial information to make informed decisions.

The council currently holds circa £26k in earmarked reserves. The earmarked reserves are listed and appear to be for bonafide ongoing projects. The Clerk was able to properly describe the lifecycle of the earmarked reserves. I am of no doubt the earmarked reserves are for Bonafide purposes.

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.

The current general reserve balance stands at approximately £38k and is expected to reduce further as the financial year progresses. At the time of review, no outturn reports had been prepared; however the general reserve will be within range at the year end.

I am of the opinion that the control objective has been met.

E. INCOME

Internal audit requirement

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

Audit findings

Apart from the precept, the council receives income from a range of sources including, grants, bank interest, hires , 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.

12.2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk. The RFO shall be responsible for the collection of all amounts due to the council.

The council reviewed fees for the football pitch in July 2025.

There is no indication the council needs to be VAT registered.

I am of the opinion that the control objective has been met.

F. PETTY CASH

Internal audit requirement

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

Audit findings

The council has no petty cash this test does not apply.

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 three employees. All staff members have a signed contract of employment, based on the NALC template, and the council is a member of the LGPS pension scheme. The clerk carries out performance reviews. The Clerk's review is completed by the chair of council.

The payroll is processed by the Clerk using a bespoke payroll package. I reviewed the payroll summary for September and the payroll deductions appear correct.

I was able to verify the net pay per the payroll summary to the physical payment shown in the financial reporting package.

There are no councillor allowances. The Clerk knows they would need to be processed through payroll and assessed for tax and national insurance, if they were paid.

I am of the opinion that the control objective has been met.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings: ASSETS

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 on Excell. Assets are correctly shown at cost or proxy cost. Additions are clearly identifiable, and the underlying documentation is available.

There have been no additions to the register. However the register will need to be adjusted for the trampolines.

Audit findings: INVESTMENTS

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 no long-term investments.

The council has PWLB borrowing agreed to the PWLB statement.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation *'2.6. At least once in each quarter, and at each financial year end, a member other than the Chair shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The member shall sign and date the reconciliations and the original bank statements or similar document as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.'*

Bank reconciliations are completed monthly and presented to council for review. I reviewed the bank reconciliation for all accounts for September 2025 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.

As the council's annual budget is below above the €500,000 (£430,950 as of 3 July comparative date) threshold, it is protected by the Financial Services Compensation Scheme (FSCS). However, some balances are above the £85k threshold, which council is aware of.

I am of the opinion that the control objective has been met.

J. YEAR END ACCOUNTS

Internal audit requirement

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

Audit findings

The council, at its meeting to sign off the year-end accounts, must discuss Section 1 of the AGAR (Annual Governance Statement) and record this activity in the minutes of the meeting. **COUNCIL IS REMINDED THAT THIS MUST BE A SEPARATE AGENDA ITEM PRIOR TO THE SIGNING OF SECTION 2 OF THE AGAR (ANNUAL ACCOUNTS).**

Section 1 – Annual Governance Statement

Based on the internal audit finding I recommend using the table below as the basis for that discussion.

	Annual Governance Statement	*'Yes', means that this authority*	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	*prepared its accounting statements in accordance with the Accounts and Audit Regulations.*	**YES** – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	*made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*	**YES** – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*	**YES** – the Clerk advises the council in respect of its legal powers.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	*during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*	**YES** – the requirements and timescales for 2024/25 year-end were not followed.
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	*considered and documented the financial and other risks it faces and dealt with them properly.*	**YES** – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	*arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.*	**YES** – the council has appointed an independent and competent internal auditor.
7	We took appropriate action on all matters raised in reports from internal and external audit.	*responded to matters brought to its attention by internal and external audit.*	**YES** – matters raised in internal and external audit reports have been addressed.

8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	*disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*	**YES** – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	*has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*	**NO** – the council did not meet its obligations

Section 2 – Accounting Statements

AGAR box number		2023/24	2024/25	Internal Auditor notes
1	Balances brought forward	147,658	65,428	Agrees to 2024/25 carry forward (box 7)
2	Precept or rates and levies	64,312	67,837	Figure confirmed to central precept record
3	Total other receipts	13,747	8,085	Agrees to underlying accounting records
4	Staff costs	28,593	35,849	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	6,722	6,722	Confirmed to PWLB documents
6	All other payments	124,974	33,601	Agrees to underlying accounting records
7	Balances carried forward	65,428	65,178	Casts correctly and agrees to balance sheet
8	Total value of cash and short-term investments	65,428	65,178	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long-term investments and assets	225,719	225,719	Matches asset register total and changes from previous year have been traced
10	Total borrowings	94,422	90,560	Confirmed to PWLB documents

For Local Councils Only		Yes	No	N/A	
11a	Disclosure note re Trust Funds (including charitable)	☑			*The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.*
11b	Disclosure note re Trust Funds (including charitable)	☑			*The figures in the accounting statements above do not include any Trust transactions.*

Audit findings

The year-end accounts have been correctly prepared on receipts and payments basis with no requirement for a box 7 and 8 reconciliation.

The AGAR correctly casts and cross casts and last year's comparatives match the figures submitted for 2023/24 and published on the council website.

The variance analysis has been completed to explain the variances where required.

I am satisfied the requirements of this control objective were met for 2024/25.

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

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.

We have considered the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) Regulations 2015 [https://www.legislation.gov.uk/uksi/2015/480/made/data.pdf] and, 2015/494 The Smaller Authorities (Transparency Requirements).
https://www.legislation.gov.uk/uksi/2015/494/pdfs/uksiem_20150494_en.pdf

In addition to this, we have considered the additional publication requirements as set out in the ICO Model Publication Scheme for Parish Councils. https://ico.org.uk/for-organisations/foi/publication-schemes-a-guide/ & https://ico.org.uk/for-organisations/foi/publication-schemes-a-guide/definition-documents/

The council has a model publication scheme and its website contains copies of historic accounting statements.

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. The council follows the payments requirement only.

I am of the opinion that the control objective has been met

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	19 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

The Notice of the Period of Public Rights and Section 1 (Annual Governance Statement) and Section 2 (Accounting Statement) was published in time with the correct time periods.

I am satisfied the requirements of this control objective were met for 2024/25

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

The External Auditor's Report was not qualified and the AGAR and notice of conclusion have been correctly published on the council website within timescales

I note the council received and considered the previous internal auditor report at the finance committee meeting held in May 2025

The council has 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 is the trustee of Hunston Village Hall (charity number 305383). I reviewed the information on the Charity Commission website, which shows the council is correctly listed as the sole trustee.

The independent examination of the accounts for the period ending 31 December 2024 has been completed and the filing of the return was on time.

I have noted separate meeting Minutes and Agendas for the trust.

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.	☑		
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.	☑		
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 mark@mulberrylas.co.uk.

Yours sincerely



Mark Mulberry
Director, Mulberry Local Authority Services Ltd

Interim Internal Audit - Points Carried Forward

Audit Point	Interim Audit Findings	Council comments
Assertion 10	However, I recommend a data audit is undertaken prior to 31st March 2026 and I have sign posted the Clerk to a council where a data audit can be seen in practice for a similar sized council.	
Financial regulations	I noted there was an error on the contents page of the financial regulations, this is being reviewed by the Clerk, with a view to republication. It is noted that there are some square brackets in 5.15 – I recommend the financial regulations is reviewed by the Clerk and republished.	
Order Thresholds	I would however recommend that the minutes show the financial amounts when approval is given.	
Policies	I recommend a diary list of policies is created to ensure review dates are not overlooked.	
Governance	Notice to receive information by electronic means - I recommend a written signable declaration is produced.	