



Mrs L Chater
Apuldram Parish Meeting
1 Charlmead
East Wittering
Chichester
West Sussex
PO20 8DN

28 April 2025

Dear Louise

Re: Apuldram Parish Meeting
Internal Audit for Financial Year Ended 31 March 2025 – Final Audit report

Executive summary

Following completion of our final internal audit on 28 April 2025 we enclose our report for your kind attention and presentation to the Parish Meeting. 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.**

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 Parish Meeting 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 Apuldram Parish Meeting 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 the Parish Meeting 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 Parish Meeting covering the 2024/25 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 Parish Meetings 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 year under review.

Table of contents

		PAGE
A	BOOKS OF ACCOUNT	3
B	FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	3
C	RISK MANAGEMENT AND INSURANCE	4
D	BUDGET, PRECEPT AND RESERVES	4
E	INCOME	5
F	PETTY CASH	5
H	ASSETS AND INVESTMENTS	5
I	BANK AND CASH	5
J	YEAR END ACCOUNTS	6
K	LIMITED ASSURANCE REVIEW	8
M	EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS	8
N	PUBLICATION REQUIREMENTS	9
	ACHIEVEMENT OF CONTROL ASSERTIONS	10

A. BOOKS OF ACCOUNT

Internal audit requirement

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

Audit findings

The audit was conducted remotely with the Clerk, who prepared and forwarded the requested information advised in advance of a scheduled telephone conversation.

Overall, I have the impression that accounting records are neatly maintained and easily accessible and the Parish Meeting clearly benefits from support from an experienced Parish Clerk.

Accounting records are maintained using Excel, which is a suitable method for an organisation of this size with a limited number of transactions. During my audit review, I was able to cross reference the accounting records with other provided information and found no anomalies.

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

The requirements for internal audit for Parish Meetings are limited to the completion of the Annual Internal Audit Report contained within the Annual Governance and Accountability Return, but we have adapted our normal auditing process for Parish Councils to provide a more detailed review of the governance and systems of the Parish Meeting.

The Parish Meeting has adopted both Standing Orders and Financial Regulations to underpin its governance processes, and these documents are both based on the NALC model versions, with suitable changes made to reflect the nature and size of the Parish Meeting.

Both documents are subject to an annual review and readoption with any relevant changes applied.

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.

Minutes of meetings are routinely uploaded to the Parish Meeting website.

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 Parish Meeting has insurance cover in place with Zurich Insurance. The policy provides Public Liability Cover of £12 million, Employer's Liability cover of £10 million and Fidelity Guarantee cover of £25,000 which is sufficient for the Parish Meeting based on the year end balances.

The Parish Meeting has no formal risk assessment in place, and the requirement for one is less clear than for a Parish Council. However, based on the wording of the internal control objectives contained within the Annual Internal Audit Report, I recommend the council adopts a basic risk assessment and then reviews and updates it annually.

We discussed assertion 8 on the Annual Governance Statement and whether this had any impact on the council.

"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."

The Clerk confirmed that they were not aware of any event having a financial impact that was not included in the accounting statements.

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 £5,958 for 2024/25. With a tax base of 93.2, this equates to a band D equivalent of £63.92. I was able to confirm receipt of the precept amount, and this is correctly recorded in Box 2 of the AGAR.

There is evidence of the Parish Meeting setting a budget to inform the precept request, and of budget monitoring taking place throughout the year.

At the end of the financial year, the Parish Meeting held £6,600 in an earmarked reserve for Operation Watershed and a further £6,045 in the general reserve.

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 limited other income during the year and applies no fees nor charges to any services provided.

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 and the testing for this internal control objective does not apply.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The council has a simple fixed asset register in place, maintained in a tabular format. The register provides details of each assets date of acquisition, original cost, estimated useful life, location and insurance value. This is a suitable method of recording assets for a Parish Meeting.

I confirmed the asset register total matches that included in box 9 (total fixed assets plus long term investments and assets) on the AGAR.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

At the year-end audit date, the council had a reconciled bank position across all its accounts, and I was able to confirm bank balances on all accounts to the relevant bank statements for 31 March 2025.

J. YEAR END ACCOUNTS

Internal audit requirement

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

Audit findings

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 (ACCOUNTING STATEMENT).

Section 1 – Annual Governance Statement

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

	Annual Governance Statement	<i>‘Yes’, means that this authority</i>	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	YES – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	YES – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	YES – the Clerk advises the Parish Meeting in respect of its legal powers.
4	We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.</i>	YES – the requirements and timescales for 2023/24 year-end were followed.
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	YES – the Parish Meeting has suitably considered the risks to

	introduction of internal controls and/or external insurance cover where required.		its operations and has adequate insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	YES – the Parish Meeting has appointed an independent and competent internal auditor.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	YES – 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.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	YES – no matters were raised during the internal audit visits.

Section 2 – Accounting Statements

AGAR box number		2023/24	2024/25	Internal Auditor notes
1	Balances brought forward	10,510	11,157	Agrees to 2023/24 carry forward (box 7)
2	Precept or rates and levies	3,750	5,958	Figure confirmed to central precept record
3	Total other receipts	1,225	692	Agrees to underlying accounting records
4	Staff costs	2,180	3,420	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	0	0	Parish Meeting has no borrowing
6	All other payments	2,148	1,741	Agrees to underlying accounting records
7	Balances carried forward	11,157	12,646	Casts correctly and agrees to balance sheet
8	Total value of cash and short- term investments	11,157	12,646	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long- term investments and assets	6,137	6,137	Matches asset register total and changes from previous year have been traced
10	Total borrowings	0	0	Parish Meeting has no borrowing

Audit findings

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

I was able to confirm the totals on the Certificate of Exemption against the accounting records as:

Total annual gross income	£6,650
Total annual gross expenditure	£5,161

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.

While not required to be submitted, the variance analysis has been completed and, in my opinion, provides sufficient financial and narrative information to explain the variances from the previous year.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick “not covered”)

Audit findings

The council correctly exempted itself from a limited assurance review in 2023/24 and the Exemption Certificate is published on the council's website.

The council meets the exemption criteria again for 2024/25 with turnover below £25,000.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority has demonstrated that during summer 2024 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2023/24 Actual	2024/25 Proposed
Date inspection notice issued	24 May 2024	2 June 2025
Inspection period begins	3 June 2024	3 June 2025
Inspection period ends	12 July 2024	14 July 2025
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

I am satisfied the requirements of this control objective were met for 2023/24, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the Parish Meeting. I was able to confirm that the proposed dates for 2024/25 meet the statutory requirements.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority has complied with the publication requirements for 2023/24. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2024 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 2023/24, approved and signed, page 4*
- *Section 2 - Accounting Statements 2023/24, approved and signed, page 5*

Not later than 30 September 2024 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 council correctly certified itself exempt from a limited assurance review and did not receive an External Auditor's Certificate but has published other documentation in accordance with the regulations.

Achievement of control assertions at final internal audit date

Based on the tests conducted during the interim and final audits, 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			✓
H	Asset and investments registers were complete and accurate and properly maintained.	✓		
I	Periodic bank account reconciliations were properly carried out during the year.	✓		
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K	If the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review in the previous year tick "not covered")</i>	✓		
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 <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N	The authority has complied with the publication requirements for previous year's AGAR.	✓		

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