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Our Ref: MARK/PEV001

Mrs S Mosedale
Pevensey Parish Council
Ethel Wood Community Centre
129 Coast Road
PEVENSEY BAY
East Sussex
BN24 6NS

11th November 2020

Dear Sarah

Re: Pevensey Parish Council
Internal Audit Year Ended 31st March 2020

Executive Summary

Following completion of our interim internal audit on the 6th November 2020 we enclose our report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. Where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

At the interim visit we reviewed and performed tests on the following areas:

- Review of the accounting system & financial reporting package
- Review of the Financial Regulations & Standing Orders
- Review of the Risk Assessments & Insurance
- Review of the Budgeting Process
- Review of Salaries
- Review of fixed asset register
- Review of annual charges

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures very seriously and I am pleased to report that overall the systems and procedures you have in place are fit for purpose.

I would like to thank Sarah for her assistance and whilst my report contains 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 Pevensey Parish Council are well established, and followed.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily.

The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority’s approval of the annual governance statement.

Independence & Competence

Your audit was conducted by Mark Mulberry of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor is a qualified practicing accountant with over 20 years’ experience as a registered statutory auditor.

Engagement Letter

An engagement letter was issued on the 1st September 2020 covering the 2020/21 internal audit assignment. Copies of this document are available on request.

Planning & Inherent Risk Assessment

The scope and plan of works including fee structure was issued to the council on the 1st September 2020 under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

- There have been no instances of breaches of regulations in the past
- The client uses an industry approved financial reporting package
- The client regularly carries out reconciliations and documents these
- There is regular reporting to council
- The management team are experienced and informed
- Records are neatly maintained and referenced
- The client is aware of current regulations and practices
- There has been no instance of high staff turnover

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

A. BOOKS OF ACCOUNT

Internal audit requirement

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

The Council continues to use RBS as a day to day accounting package, this is a tried and tested industry specific package and I make no recommendation to change. The system is used regularly to report on and record the financial transactions of that of the Council. There is one user with their own individual logon. The clerk is responsible for all entries to the package.

Every month, a month end hard close down is performed and various reports run, these include but are not limited to; Income and expenditure against budget, cashbooks, bank reconciliations and other reports as fit. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered, the reports are easy to read and logically filed.

I tested opening balances as at 1/4/20 and confirmed they could be agreed back to the audited accounts for 2019/20. This showed £34,800.28 & £55,531.50

The Council is VAT registered and the last VAT return was for the quarter ended 30th September 2020 which showed a refund of £991.96 this was received in 23rd October. This indicates 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 assertion of “Appropriate accounting records have been properly kept throughout the financial year” has been met.

B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS

Internal audit requirement

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Check the publication & minuting of the prior year audited AGAR and notice of conclusion of audit.

External auditors report has not been received at the time of this audit. The 2019 AGAR and notice of conclusion are properly posted to the council website. I am under no doubt the council will post up the 2020 documents when they become available.

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that Councillors sign “Acceptance of Office” forms and register of members interests, in line with regulations**.**

Confirm that the Council is compliant with the relevant transparency code.

I note that the Council is not required by law to follow the 2015 Transparency Code.

Confirm that the Council is compliant with the GDPR.

The council has a privacy statement and policies compliant with GDPR sign posted on its website. However, the link on the home page is broken.

Data subjects are made aware of the use of data and their rights and have to tick a box to accept they have seen and read the relevant notices.

The council has a clearly defined accessibility statement and has been through a process to update the website for the latest regulations, in accordance with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

As council is aware of GDPR. It was noted the Council does not have a common email system. A common email system such as cllr.name@pevensey........ **is recommended because it gives a natural segregation of work, home and local authority, so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.**

Confirm that the Council meets regularly throughout the year

The council has the following committees:

- Full Council; meets circa bi monthly
- Combined Committees; meets circa bi monthly

There are also a number of working parties and groups which meets as and when necessary to cover specific tasks each committee has spending powers.

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

The agendas on the website demonstrate that at least 3 clear days' notice is given. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance.

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

Draft minutes are correctly uploaded to the council website. It is clear no meetings took place during April – July. The minutes are numerically numbered.

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. The web site copy does not show a review date; however, a review of the minutes shows these to have been readopted at the annual meeting in May 2019 and that they will be taken to the November 2020 meeting for re-adoption

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

Financial regulations are based on the NALC model and are dated May 2019. The regulations being based on the NALC model contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council. A review of the minutes shows these to have been readopted at the annual meeting in May 2019 and that they will be taken to the November 2020 meeting for re-adoption

Check that the council's Financial Regulations are being routinely followed.

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

The council is performing a monthly bank reconciliation for all accounts and this is minuted in accordance with regulations.

Financial regulation 4 deals with budgetary control and authority to spend. The council has thresholds in place at which authorisations to spend must be obtained.

"Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- *the council for all items over £5,000*
- *a duly delegated committee of the council for items over £500; or*
- *the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £500*

It is noted that this could be restrictive insofar as all items below £500 must be discussed with the chair – I would recommend perhaps a lower threshold where the clerk is allowed to spend ie £50 or £100 as this will allow for small sundries such as stationery etc.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman"

The de-minimis limit recorded in the Financial Regulations for the competitive purchase of items and services is as listed below.

- £25,000 + Tender Process
- £3,000 - £25,000 3 quotations are required.
- £100 - £3,000 – strive to get 3 estimates
- 0 - £100 – power to spend

Financial Regulation 5 deals with authorisation of payments.
The Clerk/RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to council [or finance committee]. The council / committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council [or finance committee]. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

5.3. All invoices for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.

5.4. The Clerk/RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Clerk/RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available Council or Committee meeting.

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit. Cheques must be signed by two individuals.

I discussed the system with the clerk vis-à-vis financial regulations 4, 5 & 6 and ascertained that the regulations are being followed at a local level as described below:

1. Regular and recurring expenditure (rent, rates, wages, light & heat, contractual spend etc.) is known and authorised in advance (budget setting or tender process). These are, in the main, paid via direct debit, standing order or on-line banking.

2. An ad hoc expenditure requirement is identified and noted to the clerk/RFO – this can be from a number of sources and depending on the financial amount will discussed in advance with council, committee or chair. If required, this is approved in advance by council committee before the expenditure incurred. My audit testing showed via the minutes that there is where appropriate discussion of expenditure before the orders are placed.

3. The order is made via the office – councillors are not allowed or permitted to place amend or vary orders.

4. The supplier invoice, when received, is reviewed by the clerk and annotated, this is then batched ready for council review. My audit testing showed that supplier invoices are annotated.

5. Councillors are then invited to authorise the supplier invoices for payment.

6. Approved unpaid supplier invoices are posted to purchase ledger of the RBS system.

7. Payments are generally made monthly; payments are made by the clerk. The clerk logs on to the on-line bank system and sets up the supplier payment. This is a single access system. There are no financial limits. The only internal check at present is a review by the chairman of the physical bank statement.

   This is a risk area – I would recommend a dual access system such that the originator cannot authorise the same transaction.

8. The payments are then entered onto the RBS system. At the month end a full payments list is produced for council sign off and entering in the minutes.

The payments list had been circulated and noted. Authority for payments was currently through the Chairman of Council and Chairman of the F&G Committee, as agreed in the business continuity measures adopted at the start of the pandemic.

Date	Payee Name	Ref	Amount	Detail	
17/04/2020	Croner	DD	124.34	Inv C000242912	Agrees to invoice & bank statement
10/09/2020	Wealden District Council	BACS	2,325.00	LITTER AND DOG BINS	Agrees to invoice & payment authorisation & bank statement
29/09/2020	St Wilfrids Hall Management Co	BACS	1,250.00	PPC Grant	Agrees to request & bank statement
07/10/2020	Greenleaf Gounds Maintenance	BACS	500.00	Rec Ground Grass Cut Sept	Agrees to payment authorisation & bank statement
30/06/2020	Anthony Camilleri	BACS	105.00	Bus shelter cleaning	Agrees to invoice & payment authorisation & bank

					statement

The clerk has confirmed, – *"in the months from April to Sept the receipts and payments were agreed by the Chairman and Vice Chairman due to the pandemic. Copies of invoices and list of payments were sent via email each month for authorisation. We started having council meetings in August. Payments are now authorised by full council."*

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £8.12 per elector.

The council has no S.137 expenditure listed in its accounts

I am of the opinion the council is following its own regulations and that any changes to financial regulations are to be considered minor and no indicative of errors in the system. I am therefore of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for", has been met.

C. RISK MANAGEMENT & INSURANCE

Internal audit requirement

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

The Council undertakes a full annual risk assessment that covers operational and financial risks, this will be taken to council in November 20. The risk assessment is correctly based on a tabular format.

I have confirmed that the Council has a valid insurance certificate. The Council reviews its insurance requirements as part of the renewal process. Money and asset cover appear adequate.

We discussed assertion 8 of the AGAR and whether or not 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."

I am of the opinion that the control objective of "This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.", has been met

D. BUDGET, PRECEPT & 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.

At the time of the audit the clerk has started drafting the budget, this will be taken to council in December. It is anticipated that this will be a small surplus budget.

As at 31st 6th October 2020 total reportable income was £109,015 (Annual Budget £97,704), and expenditure £61,807 (annual budget £125,603). This is to be expected at the half way point during the year.

At the audit date the council had c.£5k of earmarked reserves. It is clear the council has large general reserves. Rule of thumb calculations indicate that 50% of precept is an acceptable level this would equate to circa £35-£40k. It should be noted that when total reserves are in excess of twice precept a separate report is required for the external auditor. **I would recommend council review its total reserves with a view to earmarking for future requirement.**

I am of the opinion that the control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.", 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.

The council has various streams of income:

- Precept (circa 90% of all income)
- Interest
- Rentals

The precept has been received in full in two tranches 24/09 & 27/04.

The council is reviewing its annual changes this month.

The council charges VAT on its boat berths and other rentals, **I recommend council review its VAT permeant file to ensure it has the relevant options and registration details recorded.**

I am of the opinion that the control objective of "Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.", 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.

No petty cash in evidence; however, the previous internal auditors report showed petty cash having been properly accounted for, although there was no evidence on the bank and cash investment reconciliation of any cash balances.

I am of the opinion the control objective of "Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.", has been met.

G. PAYROLL

Internal audit requirement

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

The council uses an external firm who uses a professional package to calculate the tax and national insurance. The council has fulfilled its obligations in respect of auto-enrolment and uses NEST.

Employees are paid with reference with NJC scales for consistency purposes. I tested the tax deduction for a full time employee – there were no errors.

Monthly and year-end PAYE and NI deductions and returns have been submitted online, on time to HMRC. There were no errors recorded or late payments to HMRC during the financial year under review. The PAYE and NI liability for March 2018 was paid after date.

All Council employees are paid through the payroll for all Council work undertaken. No employees are paid separately for any other Council work undertaken. Councillors are not paid allowances.

I am of the opinion that salaries are correctly stated on the AGAR and that the control object of "Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.", has been met.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

The Council has a simple fixed asset register in place. We remind council that assets should only ever been shown at historic or proxy cost.

The loan interest and capital repayments were agreed to PWLB debt management letters and the closing balance to the end of year statement letter. There were no errors.

The Council does not hold any long term investments i.e. over 1 year. Any addition to the asset register is normally with a cost value greater than £1,000.

I am of the opinion that the control objective of "Asset and investments registers were complete and accurate and properly maintained.", has been met.

I. BANK & CASH

Internal audit requirement

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

At the interim audit date the council provided me with reconciliations for both cashbook 1 & 3 Santander accounts:

- June 2020 – this agreed to the bank statements
- July 2020 – this agreed to the bank statements
- August 2020 – this agreed to the bank statements

All reconciliations agreed with no indication of reconciling errors. There is indication on the face of the bank statements that they are being reviewed and signed off in accordance with regulation.

I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of "Periodic and year-end bank account reconciliations were properly carried out.", has been met.

J. YEAR END ACCOUNTS (FINAL AUDIT)

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.

Section 1 – Annual Governance Statement

	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** – receipts & payments 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 is experienced and 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 2018/19 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 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 has completed two audits during the year.
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** – where matters are raised, action taken by council is recorded in the minutes.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after	*disclosed everything it should have about its business activity during the year including events taking place after the*	**YES** – no matters were raised during the internal audit visits.

	the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	*year end if relevant.*	
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 of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*	**N/A** – the council has no trusts.

Section 2 – Accounting Statements

Agar Box Number		2018/19	2019/20	Auditor Notes
1	Balances brought forward	87,198	78,454	Agrees to 2019 cfwd
2	Precept or Rates and Levies	66,325	75,215	Agrees to third party evidence provided to auditor
3	Total other receipts	61,087	58,714	Agrees to underlying records
4	Staff costs	33,826	21,910	Agrees to underlying records
5	Loan interest/capital repayments	6,111	6,019	Agreed
6	All other Payments	96,219	94,122	Agrees to underlying records
7	Balances carried forward	78,454	90,332	Casts correctly agrees to balance sheet (subject to £ rounding)
8	Total value of cash and short term investments	78,454	90,332	Agrees to reconciliation
9	Total fixed assets plus long term investments and assets	576,241	576,241	Agrees to register
10	Total borrowings	18,912	14,115	Agreed
11	For Local Councils Only) Disclosure note re Trust funds (including charitable)	YES	NO ✓	No trusts

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

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2018-19 AGAR.

The variance analysis was required because there were variances greater than 15% and £200. This was properly prepared on a summary table basis showing the financial elements and explanatory narrative.

The council had made provision within its schedule of meetings to sign off the annual governance statement.

I am of the opinion the control objective of “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.”, has been met.

K. LIMITED ASSURANCE REVIEW (FINAL AUDIT)

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")

Not applicable

L: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS (FINAL AUDIT)

Internal audit requirement

The authority has demonstrated that during summer 2020 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Due to the Covid 19 outbreak, the statutory deadlines have been changed as follows:

The publication date for final, audited, accounts was moved from the 30 September to 30 November 2020 for all local authority bodies. To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of July was removed. Instead, local authorities must commence the public inspection period on or before the first working day of September 2020.

This means that draft accounts must be approved by 31 August 2020 at the latest. However, they may be approved earlier, and we would encourage councils to do so wherever possible, to help manage overall pressure on audit firms towards the end of the year.

Authorities must publish the dates of their public inspection period, and given the removal of the common inspection period and extension of the overall deadlines for this year, it is recommended that all authorities provide public notice on their websites when the public inspection period would usually commence, explaining why they are departing from normal practice for 2019/20 accounts.

The regulations implementing these measures were laid on 7 April and are due to come into force on 30 April 2020.

I confirmed with the RFO that arrangements are in place at this Council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

Inspection - Key date	2018/19 Actual	2019-20
Accounts approved at full council	April 2018 Full Council	4th August
Date Inspection Notice Issued and how published	1 June	7th August
Inspection period begins	4 June	10th August
Inspection period ends	13 July	21st September
Correct length	Yes	yes
Common period included?	Yes	yes
Summary of rights document on website?	**Attached to inspection announcement**	**Attached to inspection announcement**

SI 2020/404 The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. This SI amends the deadline by which the Annual Governance Statement and Statement of Accounts of the Annual Governance and Accountability Return (AGAR) together with any certificate or opinion issued by the local auditor must be published from 30 September 2020 to 30 November 2020. Previously there was a requirement for all smaller authorities to have a common period for the exercise of public rights, being the first 10 working days of July.

Under the new regulations there is no requirement for a common period for the exercise of public rights. Smaller authorities are still required to set a period for this purpose, but the only requirement is that the 30 working day period for the exercise of public rights should start on or before the first working day of September, i.e. on or before 1 September 2020. This SI was issued on 7 April and is effective from 30 April 2020.

M. TRUSTEESHIP (INTERIM AUDIT)

Internal audit requirement

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

No trusts.

Should you have any queries please do not hesitate to contact me, attention.

Kind regards
Yours sincerely

M Mulberry

Mark Mulberry

Interim Audit - Points Forward

Audit Point	Audit Findings	Council comments
GDPR	Council Email: It was noted the Council does not have a common email system. A common email system such as cllr.name@pevensey........ is recommended because it gives a natural segregation of work, home and local authority, so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.	
Financial Regulation 4	Ordering: It is noted that the current ordering thresholds could be restrictive insofar as all items below £500 must be discussed with the chair – I would recommend perhaps a lower threshold where the clerk is allowed to spend ie £50 or £100 as this will allow for small sundries such as stationery etc.	
On-line payments	This is a risk area – I would recommend a dual access system such that the originator cannot authorise the same transaction.	
Reserves	I would recommend council review its total reserves with a view to earmarking for future requirement.	
VAT	I recommend council review its VAT permeant file to ensure it has the relevant options and registration details recorded.	