



## MULBERRY & CO

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Mrs E Sherry  
Salisbury City Council  
The Guildhall  
Market Place  
Salisbury  
Wiltshire  
SP1 1JH

21<sup>st</sup> May 2020

Dear Estelle

**Re: Salisbury City Council**  
**Internal Audit Year Ended 31<sup>st</sup> March 2020**

Following completion of our interim internal audit on the 18<sup>th</sup> October 2019 and our final audit on the 21<sup>st</sup> May 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. The recommendations from the interim visit have been answered in the table at the end of the report.**

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. 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.

### **Interim Audit – Summary Findings**

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

- Review of the Financial Regulations & Standing Orders
- Review of the Risk Assessments
- Review of the Budgeting Process
- Proper Bookkeeping – review of the use of the accounts package.
- Review of salaries
- Review of fixed asset register

It is our opinion that the systems and internal procedures at Salisbury City Council are well established, and followed. The clerk is very experienced and ensures the council follows best practice regulations and has overseen changes to the internal procedures as regulations and technologies have changed to maintain compliance.

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.

## Final Audit – Summary Finding

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

- Review of annual accounts & AGAR
- Review of bank reconciliation
- Review of income
- Review of information for external auditor

I am of the opinion that the annual accounts and AGAR are ready to be signed off by council and the external auditor and that the AGAR is a true and fair reflection of the financial transaction of that of the council for the year ended 31st March 2020. Accordingly, I have signed off the AGAR.

### A. BOOKS OF ACCOUNT (INTERIM AUDIT)

#### **Internal audit requirement**

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

The Council continues to use the Exchequer accounting package for recording and reporting on the financial transactions of that of the council. This is not an industry specific package and as such is augmented by excel for reporting to council.

The system is used daily by the finance team and a review of the cashbook shows that all data fields are being populated and the details are such that a reader of the accounts can gain an understanding of the nature and scope of the transactions.

There are four members in the finance team, the RFO, senior financer office and finance officer(s). Each user logs on with their own individual logons. The system is set that passwords must be updated every couple of months. There are other users of the council staff that have access to the financial reporting package, although, control is maintained by restriction of access rights. This is controlled by the RFO.

The responsibilities of each member are but are not limited to:

- RFO; Payroll, VAT, budgets, oversight, reporting to council, insurance journals, charitable funds and investments
- Senior Finance Officer (part Time); journals, bank reconciliation, payment runs
- Finance Officer (2 part time roles); – sales and purchase ledger, credit control, banking

Every month, various reports are printed and filed in hard copy, these include but are not limited to; Income and expenditure against budget, cashbooks, and bank reconciliations. The reports contain sufficient information to enable the reader to drill down to the transaction level should this be required. The hard copy reports are easy to read and logically filed.

I performed walk through testing on a randomly drawn item of income and item of expenditure; on the system I was able to see all data fields were being populated and the underlying hard copy documentation could be located. The hard copy documentation was appropriately annotated so that the reverse walk through could be performed from hard copy documentation to system entries to accounts entry. There was no indication that substantive testing was required to prove correct classification of income and expenditure lines. This is a clear and easy to follow system and I make no recommendation to change.

I tested opening balances as at 1/4/19 and confirmed they could be agreed back to the audited accounts for 2018/19.

I confirmed that the Council's VAT returns are up to date, with VAT claimed to the end of June 2019 with the refund still outstanding. The RFO is aware and has been given notification it was paid on the 21<sup>st</sup> October 2019. The council's software is VAT MTD compliant.

Overall, I have the impression that the accounting systems are well ordered, routinely maintained, contain a good level of duties segregation, and sufficient internal controls to reduce the inherent risk of error misstatement to a low level and as such, I feel the internal controls of the council can be relied upon 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 (INTERIM & FINAL AUDIT)**

### **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.*

### **Interim Audit**

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

The external auditors report was not qualified in 2018/19 and the notice of conclusion of audit has been publically displayed. This will be taken to full council on the 18<sup>th</sup> November.

*Confirm by sample testing that councillors sign statutory office forms*

There have been no changes to councillors in the period April to date, I confirmed last year by sample testing that Councillors sign "Acceptance of Office" forms and a register of members interests, in line with regulations.

*Confirm that the Council meets regularly throughout the year*

Minutes are prepared for all meetings of the Council and its committees.

- Full Council; meets quarterly
- Finance & Governance – 5 times per annum
- Services – quarterly
- Planning – 3 weekly
- Personnel – as and when

I verified with the RFO that the committees have a scheme of delegation and terms of reference and by sample testing reviewed one of the documents.

There are also a number of working parties and groups which meet as and when necessary to cover specific tasks. Full council has the spending powers, although, finance and governance can make recommendations.

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

The Council is required by law to follow the 2015 Transparency Code and a review of the web site shows the code is being robustly followed with a dedicated page set aside for this.

*Check that agendas and draft minutes for meetings are published with agendas giving 3 clear days' notice*

The committee meeting agendas, minutes and supporting documents are uploaded to the council website in accordance with regulations. 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.

***Confirm that the Council is compliant with the GDPR.***

The council has a privacy statement in accordance with GDPR regulations on its website. In general, users of council services (hiring) are sign posted to terms and conditions, **I would recommend a sentence is added to the general terms that also sign posts back to the privacy and GDPR statements.** Otherwise, I am confident that the council is properly informing the public of their data rights.

***Confirm that the Parish Council's Standing Orders & Financial Regulations have been reviewed within the last 12 months.***

The council has adopted NALC model standing orders and financial regulations both of which are available on the council website and evidence shows these are routinely reviewed and updated by council.

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

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

- £25,000 + Tender Process
- £5,000 - £25,000 3 quotations are required.
- £500 - £5,000 – strive to get 3 estimates
- 0 - £500 – power to spend

Financial regulation 2.2 deals with bank reconciliations, the council is performing a monthly bank reconciliation for all accounts, these are signed in accordance with regulations. **I remind council to ensure the face of the bank statement is also signed as evidence of review.** This can be complete retrospectively.

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. In addition to this there is evidence of regular monthly budget reporting. There have been one virements over £25,000 properly approved in the July meeting.

There have been no changes to the purchase system since last year. Invoices when received are signed off and coded by the budget holder and presented to the accounts department. The approved invoice is posted to the finance accounting package and filed in an unpaid file. The invoices are annotated with a unique transaction number.

Invoices are paid weekly using system generated reports to show which invoices are due. The hard copy invoices are cross ticked to the payment report and processed for payment on the financial package. A file is then uploaded to HSBC from the finance package that automatically sets up the payment. This is then dual authorised on the bank web page by two separate authorised individuals. The hard copy invoice is annotated with the payment run number and filed in the paid files in transaction number order.

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit and bacs. Cheques must be signed by RFO and Clerk, interbank transfers can be made by the RFO and Clerk. Internet payments are made via the bank website, the bank is set such that the originator cannot individually authorise the same transaction, so there is a natural segregation of duties and control in place. Admin changes must be authorised by an officer.

My audit testing encompassed a review of the physical credit card statements and associated receipts, fuel card usage and a review of the physical supplier invoices.

- Supplier Invoices: These documents were annotated and showed evidence of internal review consistent with financial regulations. I am of the opinion that invoices for payment are properly reviewed and paid by the council.

- Fuel Cards: I was provided with evidence that showed in the main fuel cards are being used for council business, but it also highlighted the need for users of the fuel cards to be reminded of the council rules too.

Financial regulation 7 deals with salary payments: Salaries are processed and authorised by council in the usual manner in accordance with regulations.

Financial regulation 8 deals with loans and investments. Loans and investments are in the name of the council.

Financial regulation 9 deals with income. The council regularly reviews fees and charges and minutes these.

Aged debtors are chased weekly. The council uses, statements, email and phone.

*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, because they have the power GPC. I confirmed that the council was still eligible to claim this and verified the re confirmation from 2017.

*Confirm that checks of the accounts are made by a councillor.*

Throughout the tests completed above – I have noted councillor involvement. I am of the opinion that sufficient internal reviews are made.

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.

#### **Final Audit**

I reviewed the ETB for evidence of netting off and to ensure the individual entries were in accordance with the heading under which they were posted. We found no evidence of breaches of financial regulations in the sample testing completed.

The website was up to date with payments list to the 31<sup>st</sup> March 2020. **However, these could be enhanced to show the purpose of the expenditure, such as post & stationery, greens maintenance etc. This would make the document a little more readable.**

**Please update the pay multiple on the transparency page as this shows as at 1<sup>st</sup> April 2018 - {Actioned and completed 21.05.20}**

**Please update the grants page on the transparency page for the 2019/20 grants {Actioned and completed 21.05.20}**

I noted the internal and external auditor reports have been properly reported to full council in the November meeting.

I noted that specific mention of the bank reconciliations still needs to be made in the finance report to fulfil the criteria of the financial regulation 2.2

*Financial regulation 2.2 On a regular basis, at least once in each quarter, and at financial year end, the Chair of the Finance and Governance Committee shall verify bank reconciliations produced by the RFO. The Chair shall sign the*

*reconciliations and the original bank statements as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance and Governance Committee.*

I am 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 (INTERIM AUDIT)**

#### ***Internal audit requirement***

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

#### **Interim Audit**

The council has as published risk management policy and undertakes a full risk assessment that covers operational and financial risks. The individual risk assessments are prepared in a tabular format, are easy to read and understand and include indicators to how severity and likelihood of occurrence. These documents are in accordance with financial regulations.

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.

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 (INTERIM & FINAL AUDIT)**

#### ***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.*

#### **Interim Audit**

I confirmed that the 2020-21 budget and precept setting process was underway at the time of our interim audit. From my discussions with the RFO, I am under no doubt that the council is following proper practices.

#### **Final Audit**

The council has £1,724,570 of reserves of which £1,288,721 is general and £435,849 is earmarked. In respect of general reserves, rule of thumb calculations would suggest that 50% of precept as adjusted for local conditions would be reasonable being circa £1.5m. I was pleased to see the detailed working and council verification of the reserves working. I am of the opinion that general reserves are reasonable and properly reported on.

All significant variances to budget were explained satisfactorily. The Council’s on-going strategy is to increase reserves; this strategy is aimed at funding (either part or in whole) future projects in the Town.

The council provided evidence to support the application for the 2020/21 precept was made on time and in accordance with proper practices. Full council approved the budget in its January 2020 meeting.

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 (INTERIM & FINAL AUDIT)**

#### ***Internal audit requirement***

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

### **Interim Audit**

The council has various streams of income:

- Precept (circa 55% of all income)
- Markets and fairs
- Allotments and other grounds
- Retail and residential property rentals
- Burial and cremations
- Retail sales
- Bank interest

The council last reviewed its annual charges in December 2018, when only cemetery was changed. Audit testing showed that fees charged per the sales ledger agree to the annual charges sheet or lease documentation as appropriate.

Bad & aged debts are monitored on a monthly basis, statements are issued using the finance package and a report is made to council/committee. At the audit date there was circa £500-£600 of aged debts which equates to 50% of the entire outstanding ledger and all relate to football.

Cash receipt and invoicing are in the main dealt with by separate individuals. There is segregation of duties in the system. Further testing on the event income audit trail will be undertaken at the year end.

### **Final Audit**

The precept income was tested to third party evidence provided to the auditor and correctly shown in box 2 of the AGAR.

I reviewed the website and noted a charges sheet dated 2019/20.

There is no evidence of netting off of income against expenditure.

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 (INTERIM AUDIT)**

#### ***Internal audit requirement***

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

The council has a float of £685. This was reviewed at the audit date, it is clear this is used for small sundries and is not significant or material.

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 (INTERIM & FINAL AUDIT)**

### ***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.*

### **Interim Audit**

The council uses the Iris payroll package to calculate the monthly payroll. This is a tried and tested payroll package and I make no recommendation to change. Audit testing showed that time sheets could be agreed to the payroll. There were no errors in the sample selected.

The council has fulfilled its obligations in respect of auto-enrolment and uses LGPS with the tax deduction given via the payroll.

Monthly 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 September 2019 was paid on time.

All council employees are paid through the payroll for all Council work undertaken. No employees are paid separately for any other Council work undertaken. Casual labour payments are correctly recorded via the payroll. Councillors were paid allowances via the payroll.

I am of the opinion 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.

### **Final Audit**

The amounts shown on the AGAR, were reconcilable to the payroll records, there were no errors.

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 (INTERIM & FINAL AUDIT)**

### ***Internal audit requirement***

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

### **Interim Audit**

The Council has a fixed asset register in place. Assets are correctly stated at historic or proxy cost. However, as a working document to indicate if assets are physically in existence, or to note their condition could be improved.

The council has a large number of assets, some of which are very portable. The financial regulations at para 14.6 contain provisions for the monitoring and safeguarding of fixed assets. In addition to this, Assertion 2 of the annual governance statement states, "The authority's assets need to be secured, properly maintained and efficiently managed. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt." As per past reports, **I recommend that the register be added to, to make this more of a working document by the inclusion of columns to denote**

- **Date last physically vouched**
- **Condition (good, reasonable, poor)**

**I would also recommend that as at the year end date 31<sup>st</sup> March – a physical stock take of the assets under the heading of plant and machinery be undertaken. This would provide sufficient evidence to show assets are being controlled. {Actioned and completed - April 2020}**

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

#### **Final Audit**

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.

The fixed asset register has been maintained in an Excel spreadsheet and agreed to the AGAR. The asset register was up to date with all relevant assets as at the current financial year end.

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 (INTERIM & FINAL AUDIT)**

#### **Internal audit requirement**

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

#### **Interim Audit**

I tested the August & September 2019 bank reconciliations reviewing the outstanding cheques, bank statement and financial package balances. The outstanding income on the august reconciliation cleared in September.

However, on both reconciliations there is an amount of £185.64 of unreconcilable expenditure. The RFO is aware and is investigating. This is not material or significant.

Bank reconciliations are performed monthly and are signed off by a councillor

#### **Final Audit**

At the year-end date the council had a reconciled bank position. I have reviewed the reconciliation and agreed this to the underlying bank statements.

The council has three active bank accounts, together with petty cash. None of the accounts are long term investments and as such do not need to be disclosed in box 9 of the AGAR. However, it is noted that some of the bank and cash investments could be invested elsewhere to obtain a greater return.

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.

The council, at its meeting to sign off the year-end accounts, must discuss the Annual Governance Statement and record this activity in the minutes of the meeting. Based on the internal audit finding, I recommend using the table below as the basis for that discussion. THIS MUST BE A SEPARATE AGENDA ITEM TO THE SIGNING OF THE ANNUAL ACCOUNTS.

**Section 1 – Annual Governance Statement**

	<b>Annual Governance Statement</b>	<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>	<b>YES</b> – income & expenditure 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>	<b>YES</b> – 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>	<b>YES</b> – 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.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	<b>YES</b> – 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.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	<b>YES</b> – 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.	<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>	<b>YES</b> – 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	<i>responded to matters brought to its attention by internal and external audit.</i>	<b>YES</b> – where matters are raised, action taken by council

	audit.		is recorded in the minutes.
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>	<b>YES</b> – 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.	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>Yes</b> – the council has met its responsibilities.

## Section 2 – Accounting Statements

Agar Box Number		2018/19 Restated	2019/20	Auditor Notes
1	Balances brought forward	1,720,399	2,059,696	Agrees to 2019 cfwd
2	Precept or Rates and Levies	3,014,336	3,016,222	Agrees to third party evidence provided to auditor
3	Total other receipts	2,785,585	2,689,311	Agrees to underlying records
4	Staff costs	1,549,636	1,657,953	Agrees to underlying records – comparative changes on instruction of external auditor
5	Loan interest/capital repayments	231,555	231,555	Agreed no change
6	All other Payments	3,679,433	4,151,151	Agrees to underlying records - £1 rounding - comparative changes on instruction of external auditor
7	Balances carried forward	2,059,696	1,724,570	Cast correctly agrees to balance sheet (subject to £ rounding)
8	Total value of cash and short term investments	2,242,802	1,861,912	Agrees to reconciliation - comparative changes on instruction of external auditor
9	Total fixed assets plus long term investments and assets	18,452,802	18,759,899	Agrees to register
10	Total borrowings	1,925,601	1,744,901	Agreed to third party evidence provided to auditor
11	For Local Councils Only) Disclosure note re Trust funds (including charitable)	YES	NO	Yes the council has met its responsibilities
		✓		

The year-end accounts have been correctly prepared on the income & expenditure basis with the box 7 & 8 reconciliation properly completed.

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

The variance analysis is required because there are variances greater than 15% and £500. This has been prepared on a summary table basis.

I am of the opinion the AGAR will be ready for submission to the external auditor within statutory time scales and that 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 2019 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 will move 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 has been 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.

The relevant dates as set by Salisbury City Council Parish Council are set out in the table below.

Inspection - Key date	2018/19 Actual	2019-20 Proposed
Accounts approved at full council	17/06	29/06
Date Inspection Notice Issued and how published	21/06	03/07
Inspection period begins	24/06	06/07
Inspection period ends	02/08	14/08
Correct length	Yes	yes
Common period included?	Yes	yes
Summary of rights document on website?	Attached to inspection announcement	Attached to inspection announcement

I am satisfied the requirements of this control objective were met for 2019/20, and assertion 4 on the annual governance statement can therefore be signed off by the Council.

**M. TRUSTEESHIP (INTERIM AUDIT)****Internal audit requirement**

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

The council is sole managing trustee of 4 trusts.

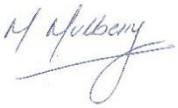
1. 1000271 – Harnham Recreation Ground – no income & expenditure and filing up to date
2. 266726 – Victoria Park & Recreation Ground - no income & expenditure and filing up to date
3. 280212 – Hudsons Field Open Space - no income & expenditure and filing up to date
4. 1081377 – Lower Bemberton Recreation Ground and Endowment Fund – has income and expenditure – all filings up to date.

The mayoral charitable funds are not paid into the council bank accounts

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

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Mulberry', with a stylized flourish at the end.

**Mark Mulberry**

**Interim Audit - Points Forward**

<b>Audit Point</b>	<b>Audit Findings</b>	<b>Council comments</b>
GDPR	I would recommend a sentence is added to the general terms that also sign posts back to the privacy and GDPR statements.	Completed
Bank reconciliations	I remind council to ensure the face of the bank statement is also signed as evidence of review.	Completed – minutes reporting on going
Fixed Assets	I would recommend a physical stock check of fixed assets is undertaken at the year end.	On-going <b>{Actioned and completed - April 2020}</b>

**Final Audit - Points Forward**

<b>Audit Point</b>	<b>Audit Findings</b>	<b>Council comments</b>
Governance	The website was up to date with payments list to the 31st March 2020. However, these could be enhanced to show the purpose of the expenditure, such as post & stationery, greens maintenance etc. This would make the document a little more readable.	<b>Noted</b>
Transparency	Please update the pay multiple on the transparency page as this shows as at 1st April 2018	<b>{Actioned and completed 21.05.20}</b>
Transparency	Please update the grants page on the transparency page for the 2019/20 grants	<b>{Actioned and completed 21.05.20}</b>