

Mapus-Smith & Lemmon LLP

Chartered Accountants

48 King Street, King's Lynn, Norfolk, PE30 1HE

Telephone: 01553 774761 Fax: 01553 768419

Website: www.mapus.co.uk

Our Ref/601888/AT/SJE

The Board of Councillors
Waterbeach Parish Council
The Old Pavillion
Cambridge Road
Waterbeach
Cambridge
CB25 9NJ

22 January 2024

Dear Sirs

Please find enclosed the following documents for your attention:

- 1) The Internal Audit letter report for your attention.
- 2) The Board's formal Letter of Representation to Mapus-Smith & Lemmon LLP as accountants and should be grateful if you could sign the copy marked "office" on page 2; the other copy is for your retention.

Please note that I have not yet been provided with the completed AGAR form for 2023. I am required to complete and sign the relevant section.

If you have any queries regards the above, please do not hesitate to contact us.

With best wishes,

Yours sincerely,



Mrs Sharon Edwards, F.C.A.
For and on behalf of Mapus-Smith & Lemmon LLP
sedwards@mapus.co.uk

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Dear Sirs

Internal Audit – Year ended 31st March 2023

Please find our report enclosed in respect of our review, which was conducted in respect of the Parish Council's year end procedures and internal controls.

You are responsible for initiating and maintaining an adequate and effective control of internal audit of the accounting, financial and level of operations.

We have been appointed to conduct an internal audit of the Council's accounting and financial operations. All areas of activity will be reviewed and selected tests conducted.

The following findings and recommendations are made:

1. Boxes A to N of the AGAR form

Following completion of our internal audit, the findings to be reported are as follows:

A	Appropriate accounting records have been properly kept throughout the financial year	No	See notes below.
B	This authority complied with its financial regulations, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for	No	The July 2022 payments schedule was not published. Quotes and tenders are not always obtained in accordance with the financial regulations. Hard copy invoices are not marked as approved. Purchase orders are not always completed in accordance with the financial regulations. It appears that a number of different councillors can approve payments by e-mail, this process should be formalised. VAT returns are not filed in a timely manner.

Designated Members : P.E. Farrow, F.C.C.A., F.C.A., J.W. Hall, F.C.C.A., F.C.A., S. J. Edwards F.C.A.

H.L. Peak F.C.C.A., V.J. Ely A.C.A., F.C.C.A., R.D. Gray, A.C.I.B.

Consultant M.J. Jay, F.C.A.

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C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	No	We understand that a number of risk assessment have been prepared, these are not all available on the website. Also, as identified by PKF, there is insufficient reference to risk management in the Council agendas.
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	No	Agreement of precept was included on the agenda for 01.02.2022. The financial regulations state this should be agreed no later than end of January. Budget set predicted a deficit of £76,152 however the final figures show a much smaller deficit. See PKF report regards issues with the budgeting process.
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	
F	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	N/A	N/A - no petty cash payments during year
G	Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	No	Timesheets are not being prepared therefore no evidence of hours being reviewed or approved before payment, signed employments contracts were not in place for all employees
H	Asset and investments registers were complete and accurate and properly maintained.	No	A number of assets were missing from the register. There were also assets included twice. The register also includes such items as 'unspecified Grounds Equipment' and 'Library Equipment' with no additional detail which makes it difficult to properly account for items.
I	Periodic and year-end bank account reconciliations were properly carried out.	No	Payments which were approved but not issued at the period end were incorrectly recorded as outstanding payments on the bank reconciliation.
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with cash book, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.	No	Debtors and Creditors were not properly recorded on Scribe and therefore included within the year end figures. There were also amounts shown Scribe which were not owed/owing.

K	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.	N/A	
L	If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.	N/A	
M	The authority has demonstrated that during the summer 2022 it correctly provided for the exercise of public rights as required by the Accounts and Audit regulations.	No	See page 2 of PKF report dated 31.07.23
N	The authority has complied with the publication requirements for 2021-2022 AGAR	No	This was published late.

2. Further weaknesses identified

- Declaration forms for appointment - no file is maintained and signed copies were not available.
- Leases - See PKF report 31.07.23 - these two leases are yet to be agreed.
- Bank accounts in Parish name but the representative on the account needs to be changed:
 - Unity - Mrs Elizabeth Jones
 - Close - Mrs Elizabeth Jones
 - Cambridge (both) - Dr R Williamson
- Minutes are not always published in the same place on the website. The website also does not include minutes for all meetings listed -i.e. 14.03.2023
- Burial fees and other fees not updated since 2020.
- Appointment of RFO - see PKF report 31.07.23 - relevant for part of this year.
- The council is due compensation of £8,000 from AGR Renewables. This has not been chased in a timely manner and as such has not been recognised as a debtors.
- 23/24 budget was not set to be approved until February 23, this is not in accordance with the financial regulations. The precept should be agreed no later than end of January
- The authority has failed to produce and approve the AGAR in time to publish it before 1 July 2022, the date required by the Accounts and Audit Regulations 2015.
- Highway payments - £5,938.83, creditor brought forward from previous year, no further information provided regards what this was for or if it is still due.

If you would like to meet to discuss the findings of the internal audit, please do not hesitate to contact me.

With best wishes,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Edwards', written in a cursive style.

Mrs Sharon Edwards, F.C.A.

For and on behalf of Mapus-Smith & Lemmon LLP

sedwards@mapus.co.uk

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22 January 2024

Dear Sirs,

During the course of the preparation of your accounts for the year ending 31st March 2023, the following representations were made to us by the RFO. Please read these representations carefully and if you agree with our understanding please sign and return a copy of this letter to ourselves as confirmation of this.

Representation

- 1 You acknowledged the RFO is responsible for making accurate representations to ourselves and for the accounts which we have prepared for the parish council.
- 2 You confirmed that all accounting records had been made available to ourselves for the purpose of preparing the parish council's accounts and that all the transactions undertaken by the parish council had been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all parish council meetings, had been made available to ourselves.
- 3 You confirmed that the parish council had no liabilities or contingent liabilities other than those disclosed at the time of the signing of the Annual Return.
- 4 You confirmed that there have been no events since the balance sheet date which required disclosing or which would materially affect the amounts in the accounts, other than those already disclosed or included in the accounts.
- 5 You confirmed that the parish council has had at no time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) for officers or employees, nor to guarantee or provide security for such matters.
- 6 You confirmed that the parish council has not contracted for any capital expenditure other than as disclosed in the accounts.
- 7 You confirmed you are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the parish council conducts its activities and which are central to the parish council's ability to conduct its activities, except as explained to ourselves and as disclosed in the accounts.

Designated Members : P.E. Farrow, F.C.C.A., F.C.A., J.W. Hall, F.C.C.A., F.C.A., S. J. Edwards F.C.A.

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ACCOUNTANTS

- 8 You confirmed that in your opinion the parish is a going concern.
- 9 You confirmed that you have assessed the risks of the parish council and considered them to be low.

Yours sincerely,



Mapus-Smith & Lemmon LLP

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We confirm that we have read and understood the contents of this letter and agree that it accurately reflects the representations made to you by the parish council during the course of preparing the parish council's accounts.

Yours faithfully

.....
On behalf of the Parish Council Date