Bentley Parish Council

Page1

Internal Audit Report 1st April 2022 to 31st March 2023

 **Chair:** Marianne Munday

 **Parish Clerk & RFO:** Joy Scott

**Website:** bentleypc.onsuffolk.net

**Email:** clerk@bentleysuffolkparishcouncil.gov.uk

|  |  |
| --- | --- |
| **2022/2023 Precept** | £ 14,500.00 |
| **Total Income** | £ 47,343.79 |
| **Total Expenditure** | £ 33,560.79 |
| **Reserves** | **General:** £ 10,718.30 | **Earmarked:** £ 20,276.46 |

|  |  |
| --- | --- |
| **FINANCES** |  |
| **1.** | Records for Income and Expenditure | The council uses an excel spreadsheet to form the basis of their accounting system. The RFO produces reports on a Receipts and Payments basis and ensures that the financial transactions of the council are recorded and are as accurate as reasonably practicable.The cashbook is the focus for day-to-day accounting and the RFO is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system. The cashbook is reconciled on a monthly basis. Council follows Proper Practices in ensuring that its accounting procedure gives a more accurate presentation of an authority's true financial position. For further transparency and scrutiny, the RFO, in accordance with best practice, references all payments and receipts with a description as to the expenditure and income being incurred to ensurethe integrity of data being input and processed. |
| **2.** | Financial Control | As per the councils own Financial Regulations, the RFO carries out regular monthly reconciliations.Subscriptions for 2022-2023 were approved at a full council meeting held 5th May 2022 alongside grants to village organisations, including s137 allocations.Budget Comparison Reports are issued to full council on a quarterly basis and are in accordance with the councils Financial Regulations which state:*4.8. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, “material” shall be in excess of £100 or 5% of the budget.* |
| **3.** | Accounting Records | Accounting records were spot checked. These are well maintained and clearly referenced. Invoices checked for council approval and recording in the cash book and bank statements.Credits were checked for council reporting and recording in the cash book and bank statements.Bank Reconciliations checked against banking statements and found to be correct. End of year balances as detailed at the end of this document. |

Page2

|  |  |  |
| --- | --- | --- |
| **4.** | Petty Cash | The council does not operate a petty cash system. |
| **5.** | Online Banking | The council does not use online banking. |
| **6.** | Budgeting | The budget as recommended by the Finance Committee was approved at a meeting of full council held 2nd December 2021 at which details were recorded of the projected figures and allocated spend for the coming financial year.The council shows good practice deciding the level of the budget and reviewing of the current budget. Assessing levels of income and considering the need for reserves.Following the recommendations from the Finance Working Group council then approves the budget and confirms the precept. |
| **7.** | Precept | At a meeting of full council held 6th January 2022 it was agreed to set the precept for2022/2023 at £14,500.Evidence was provided showing a full audit trail from the budget being discussed by the Finance Working Group and the full council, then the precept being approved at a council meeting and being served on the Charging Authority. The funds were then received into the council bank account in two separate payments of £7,250 received in April 2022 and September 2022. |
| **8.** | Reserves | The councils final accounts show General Reserves at £12,716.30 with Earmarked Reserves at £20,276.46 detailing the following allocations:£5,874.76 Playing Field Society£12,401.70 CIL Funds£2,000.00 Gazebos / Tables / Cash BoxesCouncil has followed Proper Practices which state that it is acceptable for general (non- earmarked) reserves to be equal to 3 to 12 months of net revenue expenditure and that there is no upper limit for earmarked reserves.*(In accordance with proper practices, the generally accepted minimum level of a Smaller Authorities General Reserve is that this should be maintained at between three**(3) and twelve (12) months of Net Revenue Expenditure)* |

Page3

|  |  |  |
| --- | --- | --- |
| **9.** | Community Infrastructure Levy (CIL) | CIL payments were received during the course of the year in two separate payments of:£7,244.13 received April 2022£12,383.98 received October 2022This gave a starting balance of £19,628.11 with a recorded expenditure of£5,706.41 (£2,894.41 – toward outdoor gym equipment; £2,480.00 – SID and Pole; £332.00 – Litter Bin at War Memorial) and an allocated expenditure of £1,520.00 giving a final year-end balance for 31st March 2023 of £12,401.70.The CIL report is published on the Parish Council website.Income received is in accordance with the cash book and bank statements.*(Community Infrastructure Levy Regulations 2010)***COMMENT:** Council is required to make amendments to the previously approved document removing the Babergh CIL Grant of £5,706.00 from the calculation. |
| **10.** | S137 | The s137 allocation was set at £8.82 per elector for 2022-2023. At a meeting held 5th May 2022 council approved grants to village organisations and grants to other organisations. The cash book recorded a total s137 spend of £550 during the period under review.Allocations are separately recorded within the cash book and recorded within the minutes and detail a direct benefit to the local area.*(Section 137 of the Local Government Act 1972 enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants))* |
| **11.** | General Power ofCompetency | The council does not use the General Power of Competency*(Localism Act)* |
| **12.** | VAT | VAT is correctly identified, recorded and claimed within the required time limits.One claim was made during the period under review to a value of £2,738.86 which was evidenced within the banking statements as received on 9th May 2022 and recorded in the council cash book. |

Page4

Page5

|  |  |
| --- | --- |
| **PAYROLL** |  |
| **13.** | Contracts of Employment | The clerk of the council is contracted to employment under the NALC pay scale.The clerk is also the Responsible Financial Officer as agreed at a meeting of council held 2nd February 2023 and detailed within the council Financial Regulations. |
| **14.** | Payroll | Salary payments were listed within the cash book, which also corresponds with bank statements detailing payments made.Wages are agreed by full council at monthly meetings within the bills to be paid.HMRC payments are made correctly and on time.Any additional expenses incurred by the clerk are approved by council.Council discussed and approved the NALC backdated pay scale award at a meeting held 7th April 2022.The clerk salary was reviewed at a meeting held 2nd March 2023. |
| **15.** | Pension | The council is aware of its pension responsibilities with its re-declaration to the Pension Regulator carried out 3rd February 2022. *(The Pension Regulator)* |

|  |  |
| --- | --- |
| **POLICIES** |  |
| **16.** | Standing Orders | The council has adopted the NALC Model Standing Orders 2018 which were reviewed and approved by full council 2nd March 2023. Alterations were agreed to include the revision of the procurement thresholds increasing from £25k to £30k.Standing Orders are reviewed annually. The document is published on the council website. |
| **17.** | Financial Regulations | The council has adopted the NALC Model Financial Regulations 2019 which were reviewed and approved by full council 2nd March 2023.The regulations have been tailored to the council. Financial Regulations are reviewed annually. The document is published on the council’s website. |
| **18.** | Policies & Procedures | Council has adopted and publishes on its website the following documents:Councillor Code of Conduct – revised model approved 5th May 2022Social Media PolicyGDPR Statement of ComplianceGDPR Information Data Protection PolicyGDPR Bentley General Privacy Notice Document and Retention PolicyComplaints Procedure Documents are mostly reviewed annually and adopted at full council at meetings. |
| **19.** | Website Accessibility | The council has published on its website an Accessibility Statement stating that the website is partially compliant with the Web Content Accessibility Guidelines version 2.1 AA Standard.The statement was last tested on the 6th August 2020 by One Suffolk.*(Website Accessibility Regulations 2018)* |

Page6

Page7

|  |  |
| --- | --- |
| **ASSETS** |  |
| **20.** | Asset Register | Asset Register – Fixed Assets List as at 31st March 2023 details a total asset value of£65,145 as reviewed at the meeting held 1st September 2022. The Asset Register was reviewed within discussions on the Insurance renewal, ensuring all items detailed within the register were covered.This sees an increase from the previous year detailing movements including the following additions: 2 Oak Benches; SID; Solar SID; Gym Equipment; Projector and Litter Bin.The following items were removed from the register: 2 Moreland Benches @£301.02; Speedar Device £718.55.The recorded figure is in agreeance to that recorded in Section 2 Accounting Statements of the Annual Governance and Accountability Return 2022-2023. |

Page8

|  |  |
| --- | --- |
| **RISK CONTROL** |  |
| **21.** | Risk Assessment | The Risk Assessment was reviewed and adopted by full council at a meeting held 6th October 2022 and is updated annually. This covers general matters which could prevent a smaller relevant body from functioning. |
| **22.** | Insurance Policy | At a meeting held 1st September 2022 the insurance cover was discussed following the completion date approaching of the policy with Community Action Suffolk.Quotes were obtained and insurance agreed with Ansvar for the period of 1st October 2022 to 30th September 2023.General cover provided within the policy is detailed as: Public and Products Liability £10m; Employers Liability £10m; All Risks £2k and Fidelity Guarantee £25k.Following the acceptance of this policy, council recorded it ensured items detailed within the Asset Register were appropriately covered. **RECOMMENDATION:** Council should give consideration to the level of Fidelity Guarantee with recommended guidelines which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants. |
| **23.** | Internal Control | In accordance with the Accounts and Audit Regulations 2015 council adopted Internal Control Procedures which were reviewed and signed at a meeting of full council 7th April 2022.These were again reviewed at a Finance Working Group meeting and passed to full council for approval at a meeting held 2nd February 2023.A fully completed statement of controls is detailed on the council website. This details good practice and ensures total transparency in the managing of council financial business. |

Page9

|  |  |
| --- | --- |
| **YEAR END** |  |
| **24.** | Internal Report | The Internal Report for 2021/2022 was considered at a meeting held 7th July 2022, at which the recommendations were considered.Council progressed the recommendation of the Internal Auditor, agreeing at a meeting of council held 1st December 2022 to switch to a secure e-mail system with a gov.uk address which is owned by the parish council (section 5.16 of the Practitioners’ Guide to Proper Practices – March 2021) rather than relying on the use of personal e-mail addresses that can change regularly, reducing the risk of correspondence going astray or being delayed.The Internal Auditor for the period of 2022/2023 was approved to be appointed at a meeting of the council held 2nd February 2023 |
| **25.** | External Report | The External Audit Report was accepted and approved at a meeting of council held 6th October 2022.The report is published on the council website. |
| **26.** | Year End Reporting | Year End accounts were provided to the internal auditor in a clear and detailed manner , ,reporting all closing receipt and payment transactions which are in accordance with the Bank Reconciliation and Bank Statements.The council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with an income and expenditure exceeding £25,000 but not exceeding £6.5 million for the year ending 31st March 2022 and published the following on the public website:Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Section 3 – External Audit Report and Certificate  |

|  |  |  |
| --- | --- | --- |
|  |  | Notice of the period for the exercise of public rightsThe Notice of the conclusion of audit*(Accounts and Audit Regulations 2015)* |

Page10

|  |  |
| --- | --- |
| **OTHER** |  |
| **27.** | ICO Registration | The council is correctly registered with the ICO in accordance with legislation. Reference: Z6850701 Expires: 21st August 2022.*(Data Protection Act 2018)* |
| **28.** | Code of Conduct | The Parish Council adopted the revised Code of Conduct produced by the Local Government Association (LGA) at a meeting held 5th May 2022. |
| **29.** | Annual Meeting | The Annual Meeting of the council was held on5th May 2022.The first order of official business was the election of Chairman in accordance with the Local Government Act 1972 15(1) and as per the councils Standing Orders.*The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)* |
| **30.** | Members Interests | Evidence was seen on the District Authority website of the Register of Interests for current Parish Councillors.  |
| **31.** | Email Accounts | In accordance with the Practitioners Guide the importance of smaller authorities using secure e-mail systems and gov.uk addresses, it is recommended every authority has its own e-mail addresses which is owned by the authority rather than relying on the use of personal e-mail addresses that can change regularly. This reduces the risk of correspondence going astray or being delayed.The council is compliant with this recommendation using .gov.uk email addresses. |

DETAILS OF FINANCIAL EVIDENCE TAKEN

Page11

Payments Checked

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **To** | **Amount** | **VAT** | **Bank Ref** |
| 02.02.23 | HILO | £36.00 | £6.00 | 101649 |
| 05.01.23 | Suffolk County Council | £570.00 | £0.00 | 101643 |
| 01.12.22 | Community Action Suffolk | £219.52 | £23.52 | 101636 |
| 12.09.22 | Bentley Blooms | £50.00 | £0.00 | 101624 |
| 12.09.22 | PKF Littlejohn | £240.00 | £40.00 | 101626 |
| 01.09.22 | Elancity | £2,520.00 | £420.00 | 101615 |
| 04.08.22 | ALCC | £50.00 | £0.00 | 101610 |
| 07.07.22 | David Bracey | £120.00Part of cheque for £450.00 | £20.00 | 101598 |
| 09.06.22 | Blake Tree Care | £660.00 | £110.00 | 101585 |
| 05.05.22 | SALC | £365.76 | £0.00 | 101579 |
| 07.04.22 | Geoxphere Ltd | £90.00 | £15.00 | 101577 |

Receipts Checked

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **From** | **Amount** | **Bank Ref** |
| 09.05.23 | HMRC | £2,738.86 | Giro  |
| 28.10.22 | Babergh District Council | £12,383.98 | Giro |
| 12.09.22 | Babergh District Council  | £7,250.00 | Giro |
| 12.08.22 | Palmer & Partners | £130.00 | Giro |

VAT Reclaims Checked

Page12

|  |  |  |
| --- | --- | --- |
| **Claim Period** | **Amount** | **Date Rec’d** |
| 01 April 2022 to 31st March 2023 | £3,315.24 | Not yet received |
| 01 April 2021 to 31st March 2022 | £2,737.86 | 09.05.22 |
|  |  |  |

Year End Balances 31/03/2023

|  |  |
| --- | --- |
| **Account** | **Amount** |
| Barclays Bank |  |
| Community Account | £15,819.49 |
| Business Account | £9,720.67 |
| Business Account PF | £5,874.76 |
| **Total** | **£31,414.92** |
| O/S Cheques | 420.16 |
| **Total**  | **£30,994.76** |

Signed: *J. Lawes* Dated: 24th May 2023

Mrs Julie Lawes