

Report to Brightwell, Foxhall & Purdis Farm Group Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2024

1. Introduction and Summary.

1.1 During the 2023/24 year the Council maintained effective governance arrangements including a robust framework of internal control. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and the information published on the Council's website, has confirmed the overall adequacy of the financial arrangements in place within the Council.

1.2 By examination of the 2023/24 accounts and supporting documentation it was confirmed that the Clerk, in the role as the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's financial affairs and produced financial management information to enable the Council to make well-informed decisions.

1.3 All documents were very well presented by the Clerk/RFO for the Internal Audit.

1.4 The Accounts for the year confirm the following:

Total Receipts for the year: £15,048.28
Total Payments in the year: £15,575.24
Total Reserves at year-end: £37,184.32

1.5 The Annual Governance and Accountability Return (AGAR) was examined and the following figures agreed with the Clerk/RFO for inclusion in Section 2 (rounded for purposes of the Return):

<i>Balances at beginning of year (1 April 2023):</i>	<i>Box 1: £37,711</i>
<i>Annual Precept 2023/24:</i>	<i>Box 2: £7,000</i>
<i>Total Other Receipts:</i>	<i>Box 3: £8,048</i>
<i>Staff Costs:</i>	<i>Box 4: £5,386</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: nil</i>
<i>All Other payments:</i>	<i>Box 6: £10,189</i>
<i>Balances carried forward (31 March 2024):</i>	<i>Box 7: £37,184</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £37,184</i>
<i>Total fixed assets:</i>	<i>Box 9: £41,456</i>
<i>Total borrowings:</i>	<i>Box 10: nil</i>

1.6 Sections One and Two of the AGAR were approved by the Council at its meeting on 8 May 2024 and have been signed/dated as required. The Internal Auditor has completed the Annual Internal Audit Report 2023/24 within the AGAR.

1.7 The following Internal Audit work was carried out on the adequacy of systems of internal control.

2. Governance, Standing Orders, Financial Regulations and other Regulatory matters (*examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation*).

2.1 The Annual Parish Council meeting took place on 10 May 2023. The first formal item of Parish Council business was the Election of a Chairman, as required by the Local Government Act 1972.

2.2 The Council agreed the appointment of Lead Councillors of the Planning Committee, the Brightwell Lakes Forum, Road Safety Forum and the Community Forum at its meeting on 10 May 2023.

2.3 Standing Orders are in place and were considered and approved by the Council at the meetings held on 10 May 2023 and 13 March 2024.

2.4 Financial Regulations are in place and were also considered and approved by the Council at its meeting on 13 March 2024.

2.5 The Council's Minutes are well presented and provide clear evidence of the decisions taken by the Council in the year. Each page of the Minutes is signed/initialled by the person acting as Chair of the meeting at which the Minutes are approved.

2.6 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA326954, expiring 12 March 2025). Whilst it is not a legal requirement for a local council to appoint a Data Protection Officer (DPO), the Council demonstrated good practice by appointing the Clerk/RFO as the DPO.

2.7 The Council has a range of formal policies and procedures in place including the Grants Policy, Complaints Procedure, Information available under the Publication Scheme and a set of documents aimed to meet the requirements of the General Data Protection Regulations (GDPR). which assists in securing good governance.

2.8 Several of the Council's Policies and Procedures have not been reviewed in recent years and the Clerk/RFO has confirmed to the Internal Auditor that all relevant policies and procedures are due to be reviewed and up-to-dated as necessary at the September 2024 meeting of the Council.

2.9 The Council reviewed and confirmed the adoption of the LGA Model National Code of Conduct for Councillors at its meetings on 10 May 2023 and 13 March 2024. The Council demonstrates good practice by periodically reviewing and re-adopting the Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor.

3. Accounting Procedures and Proper Book-keeping (*examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting*).

3.1 The Cashbook Spreadsheet is very well referenced and provides a good audit trail to the Bank Statements and Cheque Book counterfoils and the financial information prepared by the Clerk/RFO. These documents provided good evidence in support of the receipts and payments in the year. Supporting invoices and vouchers were in place.

3.2 A sample of Cashbook (Expenditure Analysis) transactions in the year was closely examined. A minor amendment was made by the Clerk/RFO during the audit, subsequent to which all was found to be in order.

3.3 Payments made under the Local Government Act 1972 Section 137 are separately recorded in the accounts.

3.4 VAT payments are tracked and identified within the Expenditure Analysis (to facilitate future re-claims to HMRC). A most recent reclaim to HMRC was for the £410.90 VAT paid in the period 1 January 2019 to 31 May 2021 which was received at bank on 28 June 2021. VAT Payments of £1,529.50 (in 2022/23) and £882.99 (in 2023/24) have since been made by the Council.

3.5 The Clerk/RFO confirmed to the Internal Auditor that the Council was aware that the cut-off date was approaching and is to submit a VAT reclaim to HMRC on conclusion of the audit. The Council may wish to consider submitting re-claims for VAT paid on an annual basis to assist the Council's cash-flow and avoid any possible loss of income due to claims being time-barred.

3.6 A CIL Annual Report for 2022/23 has been constructed by the Clerk/RFO and displays an Opening Balance for CIL Funds as at 1 April 2022 of £5,087.63, additions in the year of £7,808.43 and applications (spending) of £4,882.70 on the VAS Sign (£4,642.80) and Grit Bin (£239.99). The amount of CIL Receipts retained as at 31 March 2024 accordingly stood as £8,013.36. The CIL Annual Return for the year 2023/24 has been published on the Council's website and has to be submitted to the District Council no later than 31 December 2024.

3.7 The Clerk/RFO confirmed that the CIL balance carried forward as at 31 March 2023 has been re-stated following advice received from the District Council (the amount of £5,214.36 in the CIL Annual Return Accounts approved by the Council on 10 May 2023 and reported to the Internal Auditor and External Auditor in 2023 has subsequently been re-stated as £5,087.63 brought forward as at 1 April 2023 in the CIL Annual Return Accounts 2023/24).

3.8 A Statement of Analysis of Variances (explaining significant differences in receipts and payments between the years 2022/23 and 2023/24) has been prepared by the Clerk/RFO for publication on the Council's website.

4. Bank Reconciliation (*Regularly completed and cash books reconcile with bank statements*).

4.1 Bank balances are reported by the Clerk/RFO to each meeting of the Council.

4.2 At the meeting on 10 January 2024 the Clerk/RFO reported that she had researched alternative banking facility providers and the high number of local councils which bank with Unity Trust Bank. The cost of a current account was £6 per month and the Council can have single, double or triple authorisations on an account. The Unity Trust deposit account paid 2.77% gross or 2.20% net interest on Instant Access Accounts. The Council agreed to change bank accounts to Unity Trust Bank. As at 31 March 2024 Barclays Bank remained the Council's bankers.

4.3 The Bank Statement as at 31 March 2024 for the Barclays Community Account (£28,831.06) and the Bank Statement as at 5 March 2024 for the Barclays Business Premium (Savings) Account (£8,393.26) reconciled with the End-of-Year accounts and agreed with the overall Bank Reconciliation for all accounts after taking into account an unpresented cheque 100930 for £40 at the year-end.

5. Year End procedures (*Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate*).

5.1 End-of-Year accounts are prepared on a Receipts and Payments basis. Sample checks were undertaken on the documents constructed by the Clerk/RFO and all was found to be in order.

6. Budgetary controls (*Verification of the budgetary process with reference to Council Minutes and supporting documents*).

Precept 2023/24: £7,000 (14 December 2022, Minute 198.22).

Precept 2024/25: £7,000 (13 December 2023, Minute 198.23).

6.1 The Draft Budget for the year 2023/24 was discussed and approved by the Council at its meeting on 9 November 2022. The Budget and Precept for 2023/24 were agreed by the Council at its meeting on 14 December 2022. The Budget document was detailed and can act as a sound basis for the Council to undertake budgetary control and scrutiny during the 2023/24 year of account.

6.2 The Budget for the year 2024/25 was discussed and agreed by the Council at its meeting on 10 November 2023. The Precept of £7,000 for the year 2024/25 was agreed by the Council on 13 December 2023.

6.3 The Clerk/RFO ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. Budget papers are prepared to ensure Councillors have sufficient information to make informed decisions.

6.4 At its meeting on 8 November 2023 the Council received the Half-Year Accounts to 30 September 2023 which were examined and accepted by the Council (Minute 178.23 refers). It is good financial practice for a Council to receive reports of the income and expenditure in the year compared with the budget headings to enable the Council to promptly identify any significant variations from budget and take remedial action as necessary.

6.5 The Overall Reserves available to the Council as at 31 March 2024 amounted to £37,184.32. Earmarked reserves/restricted funds have been listed (as follows):

Road Traffic Modifications:	£20,000.00
CIL Fund balance (restricted reserve):	£8,013.36

6.6 Accordingly the General Reserves (Overall Reserves less Earmarked/Restricted Reserves) totalled £9,170.96 and is in line with the generally accepted best practice that a Local Council's General Reserves should usually be at least between three and twelve months of Net Revenue Expenditure/Precept (the JPAG Proper Practices Guide, Item 5.33 refers).

7. Payroll Controls (*PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment*).

7.1 The Council agreed at its meeting on 12 April 2023 that Payroll Services should be operated on its behalf by the Suffolk Association of Local Councils (SALC). In the year 2023/24 the Council's Payroll was administered on the Council's behalf in accordance with HMRC requirements. PAYE is in operation and detailed payslips are provided. The Clerk/RFO maintains a detailed record of hours worked each month alongside any expenses incurred in the month.

7.2 At its meeting on 13 December 2023 the Council noted that the NJC for Local Government Officers had agreed a pay increase effective from 1 April 2023. The Council approved the new pay scales and the increase in the Clerk/RFO's salary backdated to 1 April 2023.

8. Income Controls (*regarding sums received from Precept, Grants, Loans and other income including credit control mechanisms*).

8.1 The Clerk/RFO has constructed a Spreadsheet detailing the income received in the 2023/24 year of account. As at the year-end 31 March 2024 the Council had received the following: Precept payment from the District Council (£7,000), CIL Fund Receipts (£7,808.43), Newsletter Advertisements (£140) and bank interest in the Business Premium (Savings) Account (£99.85).

8.2 Receipts recorded in the Cashbook Spreadsheet were cross referenced with the bank statements on a sample basis and were found to be in order.

9. Petty Cash (*Associated books and established system in place*).

9.1 No Petty Cash is held; an expenses system is in place with supporting details listed against the expenses claimed and attached to the Salary and Expenses Voucher.

10. Internal Control and the Management of Risk (*Review by Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly*).

10.1 The Clerk/RFO has confirmed that the Council's Risk Assessment documentation was reviewed and adopted at the Council's meeting on 13 March 2024 alongside other listed policies and procedures (Minute 42.24 refers). The risk assessment is comprehensive and includes the area of risk, the risks identified within those areas, the level of risk (H, M or L) and the internal control measures in place to control/mitigate the risks and the review actions required to take place.

10.2 The Council accordingly complied with the Accounts and Audit Regulations 2015 which require that at least once during each financial year a Council must undertake a review of the effectiveness of its Internal Control arrangements, including the management of risk and Minute that the review has taken place.

10.3 Insurance was in place for the year of account. Payment of the premium of £351.01 to Community Action Suffolk (CAS) was approved by the Council on 13 September 2023.

10.4 The Policy is provided by Ansvar Insurance and runs from 1 October 2023 to 30 September 2024. Employer's Liability cover and the Public Liability cover each stand at £10m. The Employee/Councillor Dishonesty (Fidelity Guarantee) cover is £100,000 and meets the recommended guideline for the amount of cover (Year-End Balances plus 50% of the Precept/grants).

11. Internal Financial Controls, Payments Controls and Audit Procedures (*Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented*).

11.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides financial reports to Council meetings and Councillors are provided with information to enable them to make informed decisions. Cheque Book counterfoils are initialled by cheque signatories. Invoices and vouchers for payment are signed by signatories and list the cheque number to provide a clear audit trail. Payments and receipts are listed in the Council's Minutes as part of the overall financial control framework.

11.2 The Internal Audit report for the previous year (2022/23) was considered and accepted by the Council at its meeting on 12 July 2023. The Report had raised no matters of concern.

11.3 The Council appointed the Internal Auditor for the 2023/24 year at its meeting on 13 March 2024.

12. Assets Controls (*Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover*).

12.1 A comprehensive Asset Register is in place and includes a description of each asset, the location, the value at cost, the year of acquisition with explanatory notes and comments.

12.2 The Asset Register was reviewed and approved by the Council at the meeting held on 13 March 2024.

12.3 The Register displays a total value of £41,455.94 as at 31 March 2024, an increase of £4,881 over the valuation of £36,574.94 as at the end of the previous year 31 March 2023 and reflects the acquisitions in the year of account of VAS Sign (4,642) and Grit Bin (£239),

13. External Audit (*Recommendations put forward/comments made following the annual review*).

13.1 The External Audit Report 2022/23 was dated 29 August 2023 and completed by PKF Littlejohn and was reported to Council at its meeting on 13 September 2023. The External Auditors raised no matters of concern.

13.2 For the year 2023/24, as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ending 31 March 2024, the Council is able to certify itself exempt from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015. Accordingly, at its meeting on 8 May 2024 the Council completed the Certificate of Exemption from a Limited Assurance Review in respect of the year 2023/24.

14. Publication Requirements.

14.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website:

To be published by 1 July:

Notice of the Period for the Exercise of Public Rights
AGAR - Sections 1 and 2.

14.2 Documents in respect of the year 2022/23 had been published and were readily accessible on the Council's website.

14.3. The items listed below are to be published following completion of the External Audit (and no later than 30 September):

Notice of Conclusion of Audit

AGAR - Section 3

AGAR - Sections 1 and 2 (including any amendments as a result of the Limited Assurance Review).

14.4 The Internal Auditor was able to confirm that the documents were readily accessible on the Council's website:

<https://brightwellfoxhallandpurdisfarm.onesuffolk.net/parish-council/parish-council-documents/>

15. Additional Comments.

15.1 I would like to record my appreciation to the Clerk to the Council for the careful presentation of documents for the audit and for her assistance during the course of the audit work.



Trevor Brown, CPFA

Internal Auditor

17 June 2024