

## **Report to Great Bricett Parish Council**

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

#### **1. Introduction and Summary.**

1.1 The Internal Audit work undertaken confirmed that during the 2023/24 year the Council maintained effective governance arrangements including a robust framework of internal control and risk management. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains an effective framework of financial administration and internal financial control.

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

1.3 The Council's documentation and information 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: £21,519.21*  
*Total Payments in the year: £13,972.63*  
*Total Reserves at year-end: £54,913.81*

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 Accounting Statements 2023/24 (rounded for purposes of the Return):

<i>Balances at beginning of year (1 April 2023):</i>	<i>Box 1: £47,368</i>
<i>Annual Precept 2023/24:</i>	<i>Box 2: £10,815</i>
<i>Total Other Receipts:</i>	<i>Box 3: £10,704</i>
<i>Staff Costs:</i>	<i>Box 4: £5,086</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: nil</i>
<i>All Other payments:</i>	<i>Box 6: £8,887</i>
<i>Balances carried forward (31 March 2024):</i>	<i>Box 7: £54,914</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £54,914</i>
<i>Total fixed assets:</i>	<i>Box 9: £154,569</i>
<i>Total borrowings:</i>	<i>Box 10: nil</i>

1.6 Sections One and Two of the AGAR are due to be approved and signed at a forthcoming meeting of the Council. 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. Comments and any recommendations arising from the review are made below.

**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 9 May 2023. The first item of business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 Standing Orders are in place and were approved and adopted by the Council at its meeting on 12 March 2024 and are in accordance with the latest guidance issued by the National Association of Local Councils (NALC).

2.3 Financial Regulations are in place having been reviewed, approved and adopted at the meeting on 14 March 2023. The Council noted at its meeting on 12 March 2024 that NALC is shortly to issue revised, up-dated model Financial Regulations and these would be brought to the Council at a future meeting for consideration and approval.

2.4 The Council continued to apply the General Power of Competence (GPOC). At its meeting on 9 May 2023 the Council declared that it was an eligible Council to use the GPOC, having at least two-thirds elected Councillors and a suitably qualified Clerk and adoption of the Power was agreed (Minute GB19/23/24 refers). The GPOC remains valid until the Annual Meeting following the next Ordinary Election in May 2027.

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

2.6 The Council has a Responsible Financial Officer (RFO) in place. Mrs Jennie Blackburn was appointed as Clerk and RFO at the meeting held on 17 April 2018 (Minute GB06/18/19 refers).

2.7 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services (Registration ZA048090, expiring 29 May 2024). The Council has adopted a Data Protection and Information Safety Policy to assist in meeting the requirements of the General Data Protection Regulations (GDPR).

2.8 At the meeting on 10 May 2022 the Council adopted the Local Government Association (LGA) Model Councillor Code of Conduct which details the requirements and responsibilities placed upon each individual Councillor. A copy of the Code is published on the Council's website.

2.9 The Council demonstrates good practice by adopting and maintaining a range of formal Policies, Procedures and Protocols including a Communications Policy, Complaints Procedure, Equal Opportunities Policy, Training Policy, Reporting at

Meetings Protocol and a Social Media and Blogging Procedure. The Council also has a Publication Scheme to assist compliance with Freedom of Information legislation. The documents have been published on the Council's webpage: <https://greatbricett.suffolk.cloud/parish-council/policies/>

2.10 The Council demonstrates good practice by publishing a Website Accessibility Statement in accordance with the website accessibility regulations. The Statement includes technical information about this website's accessibility.

### **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 was found to be in good order and well presented. The Spreadsheet is well referenced and facilitates an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO. A sample of transactions was closely examined and was found to be in order with supporting invoices/vouchers in place.

3.2 VAT payments are tracked and identified within the Cashbook Spreadsheets to assist re-claims to HMRC. The re-claim for £811.55 VAT paid in the year 2022/23 was submitted to HMRC on 20 April 2023 and received at bank on 17 May 2023 and reported to Council on 11 July 2023. Similarly, the re-claim for £728.34 VAT paid in the year 2023/24 was submitted to HMRC on 5 April 2024.

3.3 The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2024 has been prepared by the Clerk/RFO. The Report displays the balance of £33,565.87 brought forward from previous years, the CIL Receipts of £7,731.69 in the year and CIL Payments of £1,060.82 on a number of items relating to the Community Woodland Project. A balance of £40,236.74 was retained at the end of the year as a Restricted Reserve.

3.4 A Statement 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 Reconciliations are regularly presented to Council and noted in the Minutes. The Council demonstrates good financial practice by receiving and verifying a completed bank reconciliation at meetings of the Council.

4.2 The bank statements dated 31 March 2024 for the Barclays Community (Current) Account (£2,762.67), the Active Saver Account (£11,415.55) and the Business Premium Account (CIL Funds) (£40,735.59) reconciled with the End-of-Year accounts and agreed with the overall Bank Reconciliation.

**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 and were in good order. Sample audit trails were undertaken and were found to be in order.

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

6.1 The Council's Internal Control Measures and Risk Management arrangements were reviewed and approved by the Council at its meeting on 12 March 2024 (Minute GB108/23/243a refers). The documents provide detailed analysis of the financial and other risks faced by the Council and the control measures in place to mitigate the risks identified.

6.2 The Council accordingly complied with Regulation 4 of the Accounts and Audit Regulations 2015 which requires a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for management of risk, with the review suitably Minuted.

6.3 Insurance was in place for the year of account. The insurance premium payment of £382.55 to Zurich Municipal Insurance for the forthcoming year was agreed by the Council on 12 September 2023. The Policy runs from 1 October 2023 to 30 September 2024. Employer's Liability cover stands at £10m and Public Liability cover stands at £12m. The Fidelity Guarantee cover stands at £250,000, which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.

6.4 The insurance renewal of £398.03 to CAS Insurance Ltd. for cover for the Village Hall was approved at the Council's meeting on 9 May 2023. Insurance renewal of £437.03 for the Village Hall for the year 2024/25 was authorised by the Council at its meeting on 12 March 2024. The cover is being provided by Hiscox Insurance Co. Ltd.

6.5 The Clerk/RFO confirmed to the Internal Auditor that the insurance policies currently in place has been checked against the Asset Register and adequately covers all relevant Assets.

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

Precept 2023/24: £10,815 (10 January 2023, Minute GB113/22/23)

Precept 2024/25: £11,900 (9 January 2024, Minute GB90/23/24f)

7.1 The Draft Budget for 2023/24 was considered and agreed by the Council on 8 November 2022 (Minute GB88/22/23d refers). The Final Budget and Precept were

approved by the Council at its meeting on 10 January 2023. The precept decision and amount have been clearly Minuted.

7.2 The Draft Budget for 2024/25 was considered and approved by the Council on 28 November 2023 (Minute GB70/23/24e refers). The Final Budget and Precept were considered and approved by the Council at the meeting held on 9 January 2024. The precept decision and amount have been clearly Minuted.

7.3 The Clerk/RFO ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. The Council has sound budgetary procedures in place. The Clerk/RFO prepared detailed estimates of the annual budget and of receipts and payments for the year 2023/24.

7.4 Budget Monitoring Reports are presented by the Clerk/RFO to Council meetings as part of meeting the Council's budgetary control responsibilities. It is good financial control practice for the Council to receive a Budget Monitoring report at least on a Quarterly basis in order for the Budget to be monitored on a regular basis.

7.5 As at the 31 March 2024 the Overall Reserves totalled £54,913.81, of which the £44,898.15 was held as Earmarked/Restricted Reserves as follows:

Village Hall Reserves:	£4,000.00
Staffing Reserve:	£500.00
Elections Reserve:	£161.41
CIL Funds(Restricted):	£40,236.74

7.6 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) as at 31 March 2024 accordingly totalled £10,015.66 and are in line with the generally accepted position that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure (the JPAG Proper Practices Guide, Item 5.33 refers).

7.7 As at the 31 March 2024, the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense.

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

8.1 Receipts totalled £21,519.21 are reported to the Council as a matter of routine and listed in the Minutes of the Council's meetings. The Receipts in the year consisted of Precept (£10,815), CIL Receipts (£7,731.69), VAT Reclaim (£811.55), Grants (£1,070), Printer Contributions and Miscellaneous (£528.04) and Bank Interest (£562.93).

8.2 Income recorded in the Cashbook was cross referenced with the Council's Bank Statements on a sample basis and found to be in order.

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

9.1 A Petty Cash system is not in use. An expenses system is in place, with on-line payments being made for expenses incurred.

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

10.1 Payroll Services are currently being operated by the Suffolk Association of Local Councils (SALC) in accordance with HMRC requirements. Detailed pay slips are produced.

10.2 A Contract of Employment is in place for the Clerk/RFO. As at 31 March 2024 the salary at SCP 22 was being paid for 26 hours per month.

10.3 At the meeting on 28 November 2023 the Council noted that SALC had informed local councils of the JNC local government officers' annual increase in salary, which this year was a flat sum of £1,925 pro rata. The Council approved the increase which would be backdated to 1 April 2023.

10.4 An Office Allowance is payable to the Clerk/RFO at the amount of allowance recommended by SALC, and this continued to be paid as at 31 March 2024.

10.5 With regard to the workplace pensions legislation, at the meeting on 11 January 2022 the Council agreed that it should join the Suffolk County Council Pension Scheme and make employer contributions in respect of the Clerk/RFO's future pension entitlement (Minute GB127/21/22 refers).

10.6 The Pensions Regulator confirmed on 24 March 2024 that the Council had submitted a re-declaration of compliance to meet the requirements of the Pensions Act 2008. (The re-declaration of compliance confirms to the Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

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

11.1 An Asset Register is in place and was reviewed and approved by the Council at its meeting on 9 May 2023. The total value of £154,569.16 as at 31 March 2024 is an increase of £220.00 over the valuation of 154,349.16 at the end of the previous year, 31 March 2023 and reflects the acquisition of Tools (£220).

11.2 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The assets are recorded at purchase cost (where known) or a proxy value or nominal/community value in appropriate cases.



**12. 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).**

12.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides financial reports to Council meetings. Councillors are provided with information to enable them to make informed decisions. The Council receives details of the financial position of the Council, including the balance in the accounts and bank reconciliation.

12.2. Receipts and payments are listed in the Council's Minutes as part of the overall financial control framework.

12.3 Payments are being made through electronic means/internet banking. The Clerk/RFO is the Service Administrator who initiates payments and is one of the two signatories that Barclays Bank require.

12.4 The Internal Audit Report for the previous year 2022/23 was received and noted by the Council at its meeting on 9 May 2023 (Minute GB18/23/24h refers). No issues of concern were raised in the report.

12.5 The Internal Auditor for the 2023/24 year was appointed by the Council at the meeting held on 12 March 2024 (Minute GB107/23/24d refers).

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

13.1 The External Audit Report and Certificate for the year 2022/23 was completed by PKF Littlejohn LLP on 25 September 2023. The Report raised no areas of concern and was received and noted by the Council at its meeting on 28 November 2023.

13.2 For the year 2023/24 the Council may apply for Exemption from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015 as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account.

**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 by 1 July:

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

14.2 The items below are required to be published by 30 September each year:

*Notice of Conclusion of Audit*  
*AGAR - Section 3*

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

14.3 The Internal Auditor was able to confirm that the documents relating to the year 2022/23 were readily accessible on the Council's website:

*<https://greatbricett.suffolk.cloud/parish-council/finance/>*

**15. Additional Comments.**

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

*Trevor Brown*

**Trevor Brown, CPFA**

**Internal Auditor**

**19 April 2024**