

Report to Beyton Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2022

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2021/22 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 2021/22 accounts and supporting documentation it was confirmed that the Clerk, in the role of the Council's RFO, satisfactorily undertook the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.

1.3 The Accounts for the year confirm the following:

Total Receipts for the year: £21,927.23
Total Payments in the year: £20,383.60
Total Reserves at year-end: £28,634.72

1.4 A Draft Annual Governance and Accountability Return (AGAR) has been completed by the Clerk/RFO and the following figures included in Section 2 (rounded for purposes of the Return):

<i>Balances at beginning of year (1 April 2021):</i>	<i>Box 1: £27,091</i>
<i>Annual Precept 2021/22:</i>	<i>Box 2: £16,622</i>
<i>Total Other Receipts:</i>	<i>Box 3: £5,305</i>
<i>Staff Costs:</i>	<i>Box 4: £6,207</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £14,176</i>
<i>Balances carried forward (31 March 2022):</i>	<i>Box 7: £28,635</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £28,635</i>
<i>Total fixed assets:</i>	<i>Box 9: £49,835</i>
<i>Total borrowings:</i>	<i>Box 10: £0</i>

1.5 Sections One and Two of the AGAR are to be approved at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report 2021/22 within the AGAR.

1.6 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the agreed schedule of work. 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 4 May 2021. The first item of Parish Council business was the Election of a Chairman, as required by the Local Government Act 1972. The meeting was held virtually via Zoom as permitted in the Local Authorities and Police Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Meetings) (England and Wales) Regulations 2020. At the meeting on 4 May 2021, Councillors were also nominated to act as Council representatives on outside bodies.

2.2 Standing Orders are in place. The Council reviewed the Standing Orders at the meeting on 4 May 2021 and accepted them with no amendments. The Standing Orders are in accordance with the latest model documents and guidance published by the National Association of Local Councils (NALC). A copy has been published on the Council's website.

2.3 Financial Regulations are in place. At the meeting on 4 May 2021 the Council reviewed the Financial Regulations and agreed to amend them with changes to public procurement thresholds as proposed by NALC: 'Footnote 3 to Regulation 11.1.c' in accordance with the latest guidance published by the NALC. (Minute 040521/22 refers). A copy has been published on the Council's website.

2.4 At the meeting on 6 April 2021 the Council noted the resignation of the Clerk/RFO and agreed to appoint Mrs Tina Newell as the Locum Clerk until such time a suitable permanent replacement has been found and agreed to the Statement of Employment Particulars as presented (Minute 060421/12 refers). At the meeting held on 4 May 2021 the Council agreed to offer the permanent post of Clerk/RFO to Mrs Newell (Minute 040521/51 refers).

2.5 As part of its overall governance arrangements, at its meeting on 12 October 2021 the Council agreed to form a Staffing Committee (with agreed Terms of Reference) and a Parish Infrastructure (PIIP) Working Party and appointed Councillors to form the membership of each (Minute 121021/37 refers). The Working Party would not have delegated powers, all recommendations were to be referred to Full Council.

2.6 The Council's Minutes are well presented, constructed to a high standard and provide clear evidence of the decisions taken by the Council in the year. Each page is numbered consecutively within each set of Minutes.

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 under Data Protection legislation (Registration ZA193421 refers, expiring 19 July 2022). The Data Protection registration with the Information Commissioner's Office (ICO) displays the out-of-date contact address of Sayesbury House, Ixworth Road, Norton. The ICO has been advised by the Clerk/RFO of the current contact address in order that data protection queries are correctly routed to the Council.

2.8 To assist compliance with the General Data Protection Regulations (GDPR) the Council reviewed and adopted the following Policies and Procedures at the meeting on 14 September 2021 (all have been published on the Council's website):

Consent form
Data Protection Policy
Document and Electronic Data Retention
Lawful Basis for Processing Data
Subject Access Request Policy & Procedure
General Privacy Notice

2.9 At the meeting on 22 February 2022 the Council resolved to adopt the following policies noting these now completed the policies required for Data Protection:

Bring your own device
Data Beach
Data Security

2.10 At its meeting on 14 September 2021 the Council adopted a Model Publication Scheme and Guide to the Publication Scheme to support meeting the Freedom of Information Act. The documents have been published on the Council's website.

2.11 The Council demonstrates good practice by maintaining a wide range of other formal Policies and Procedures. At its meeting on 4 May 2021 the Council considered and adopted:

Accessibility Statement
Complaints Procedure
Disciplinary Procedure
Equality Policy
Media Policy.

2.12 In addition, at the meeting held on 14 September 2021 the Council reviewed and adopted the *Filming, Videoing, Photography and Audio Recording Policy*.

2.13 Similarly, on 9 November 2021 the Council resolved to adopt:

Conflict of Interest Policy
Employment Policy
Health and Safety Policy.

2.14 At the meeting on 15 June 2021 the Council demonstrated good practice by formally re-adopting the Suffolk Local Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor.

2.15 The Council demonstrates good practice by publishing a Website Accessibility Statement in accordance with the website accessibility regulations. At the meeting on 15 June 2021 the Clerk/RFO advised the Council that the website is checked on a monthly basis to confirm its compliance with the Accessibility Guidance (WCAG 2.1).

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 facilitates an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO. A sample of transactions was examined with the supporting invoices and found to be in order.

3.2 No payments were recorded as having been made under the Local Government Act 1972 Section 137 in the year of account. VAT payments are tracked and identified within the End-of-Year Accounts.

3.3 Re-claims for the amounts of VAT paid are regularly submitted to HMRC. The Council noted at its meeting on 14 September 2021 that the VAT re-claim for the 2020/21 year had been submitted to HMRC and the receipt of £1,214.23 was noted by the Council on 9 November 2021.

3.4 The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2022 shows £7,314.35 brought forward at the end of the previous year (31 March 2021) with Nil receipts and Nil payments in the year 2021/22. Accordingly, the balance of £7,314.35 is displayed as retained as at 31 March 2022. The Annual Report has been published on the Council's website and has to be submitted to the District Council no later than 31 December 2022.

3.5 The Clerk/RFO has constructed a Statement of Variances (explaining significant differences in receipts and payments between the years 2020/21 and 2021/22) which has to be published 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 the Council by the Clerk/RFO and recorded in the Minutes of the Council meetings. A nominated non-bank signatory Councillor verifies the monthly bank reconciliations with the bank statements and the action is evidenced in the Minutes of the Council meetings.

4.2 The bank statements for the Barclays Community Account (£28,534.16) and the Barclays Business Premium Account (£100.56) as at 31 March 2022 reconciled with the End-of-Year accounts and Bank Reconciliation for all accounts.

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 At the meeting on 13 July 2021 the Council nominated two Councillors to carry out a review of Internal Controls twice annually and to bring their reports to Council (Minute 130721/27 refers).

6.2 The Council noted on 12 October 2021 that a nominated Councillor and the Clerk/RFIO had produced draft risk assessments prior to the meeting. All Councillors agreed to review and make comments on these prior to the next meeting (Minute 121021/41 refers).

6.3 At its meeting on 9 November 2021 the Clerk/RFO reported that the review of risk assessments had taken place. The Council agreed to adopt the Financial and Playingfield risk assessments and confirmed these will remain working documents and would be reviewed as necessary (Minute 091121/37 refers).

6.4 The Council received a review of the Internal Controls at its meeting on 15 February 2022 and considered and accepted the review (Minute 150222/31 refers).

6.5 The Council accordingly complied with the Accounts and Audit Regulations 2015 which require 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 the management of risk, with the review suitably Minuted.

6.6. As part of the risk management arrangements relating to the Council's Play Equipment, at its meeting on 13 July 2021 the Council received and accepted a report a review of the equipment undertaken by two nominated Councillors. In addition, the Council resolved to instruct The Play Inspection Company to carry out the annual inspection of play equipment (Minutes 130721/33 and /37 refer). At the meeting on 12 October 2021 the Council nominated two Councillors to review the Annual Play Inspection report and agreed for them to carry out any seasonal work as necessary and reporting any unresolved issues to the November meeting of the Council.

6.7 Insurance was in place for the year of account. At the meeting on 15 June 2021 the Council noted that the insurance renewal report had been circulated prior to the meeting. The Council agreed to instruct Community Action Suffolk (CAS) as the broker to secure cover with Municipal Mutual Insurance at a cost of £401.25 (Minute 150621/37 refers). The Council noted that the cover includes All Risks up to £100,000 and Fidelity Guarantee cover up to £50,000, 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. The Clerk/RFO provides updates to the Council on insurance matters as a matter of routine.

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

Precept 2021/22: £16,622.00 (20 January 2021, Minute 20/070 refers).

Precept 2022/23: £23,186.01 (11 January 2021, Minute 110122/35 refers).

7.1 The Council considered and agreed a Draft Budget and Precept proposal at the meeting on 20 January 2021. The Precept was agreed at £16,622. At its meeting on 27 April 2021 the Council considered a revised budget for 2021/22 with total projected payments equalling the total projected receipts resulting in a budget of £16,813.00 with no change to the Precept of £16,622.00. The Council agreed the budget for all payments and receipts line by line and resolved to adopt this revised budget of £16,813.00 (Minute 270421/17 refers). The precept was agreed in Full Council and the precept decision and amount have been clearly Minuted.

7.2 The Clerk/RFO presented a first draft budget for 2022/23 at the meeting of the Council on 9 November 2021. The budget was again considered and agreed by the Council on 11 January 2021 with a budget set for 2022/23 at £23,186.01. The only receipt to budget was the precept and the Council resolved to set the precept for the financial year 2022/23 at £23,186.01; this represented an annual increase of £20.97 on an average Band D property.

7.3 Good budgetary procedures are in place. During the year 2021/22 the Clerk/RFO provided the Council with comprehensive reports of actual spending against the budget. The Council formally Minuted its acceptance of the figures. The estimates for 2021/22 were used effectively for financial control and budgetary control purposes.

7.4 The Clerk/RFO ensures that 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.

7.5 The Clerk/RFO provides to the Council details of the Earmarked Reserves held to ensure that Councillors were fully appraised on the amounts applied to each project identified.

7.6 Similarly, the Clerk/RFO keeps the Council advised of the level of general reserves in relation to the precept. The Council formally Minutes the transfer of Earmarked Reserve amounts to the General Reserve and noted at the meeting on 11 January 2022 that the amount held in General Reserves should ultimately be six months operational costs of the net expenditure (Minute 110121/25 refers).

7.7 The Overall Reserves available to the Council at the year-end 31 March 2022 were £28,634.72, of which £21,534.84 is earmarked as follows:

Election:	£1,000.00
Village Green Project:	£7,000.00
Asset Replacement:	£6,220.49
CIL (restricted):	£7,314.35

7.8 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) of £7,099.88 are in line with of 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 5.32 refers).

7.9 As at the 31 March 2022, the Council maintained sufficient overall reserves and contingency sums to meet, within reason, any unforeseen items of expense that may occur.

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

8.1 Receipts are reported to the Council by the Clerk/RFO and recorded in the Minutes of Council meetings. The Receipts recorded in the Cashbook Spreadsheet consisted of Precept (£16,622), Ditch Clearance Grant (£2,000), Neighbourhood Plan (£1,200), SCC Locality Grant (£891) and VAT recovered from HMRC (£1,214.23).

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

9.1 No Petty Cash is held. An expenses system is in place with on-line banking payments being made during the year for expenses incurred.

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

10.1 The Council's Payroll is being operated by SALC in accordance with HMRC regulations. Detailed pay slips are produced. The P60 End of Year Certificate for the Clerk/RFO was presented to the Internal Auditor for examination.

10.2 Mrs Tina Newell initially acted as the Locum Clerk and was offered the permanent post of Clerk/RFO by the Council at the meeting held on 4 May 2021.

The Council agreed on 14 September 2021 to the continuation of the Clerk/RFO's appointment with an increase in paid hours (Minute 140921/61 refers).

10.3 At the meeting on 9 November 2021 the Council agreed to employ a Parish Caretaker from April 2022 for 2-3 hours a week using funding from MSDC. It was agreed for the Clerk to write a job description for consideration (Minute 091121/34 refers). The post would be at national minimum wage (Minute 110122/38 refers). The Council also resolved to support the employment of a Parish Warden and agreed for the Staffing Committee to consider terms of employment, a job description and create an advert with a recommendation to be given to Full Council at the next meeting.

10.4 At its meeting on 11 January 2022 the Council discussed the appraisal of the Clerk/RFO and agreed to support her in training towards the Certificate in Local Council Administration (CiLCA) training.

10.5 On 15 March 2022 the Council noted the National Joint Council for Local Government Services (NJC) had agreed the new rates of pay applicable from 1 April 2021. The Council noted that item 9.1 of the Clerk's contract of employment states the salary is payable at Scale Point 17 and therefore noted the increase in accordance with the NJC salary award 2021/22 (Minute 150322/48 refers).

10.6 With regard to the legislation relating to workplace pensions, the Clerk/RFO confirmed that she has contacted the Pensions Regulator to ensure the Council is fully compliant in terms of declarations of compliance to the in accordance with 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 A comprehensive Asset Register is in place and is reviewed and approved by the Council routinely during the year and the action Minuted.

11.2 The Register records the original purchase cost, where known. The value of £49,835 as at 31 March 2022 is an increase of £1,408 over the value at the end of the previous year, 31 March 2021 and reflects the acquisition in the year of 2 Volleyball nets (£470), and an Apple MacBook for the Clerk's office (£938).

11.3 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The value has been correctly entered into Box 9 of Section 2 of the AGAR.

11.4 The Council demonstrates good practice by closely checking the insurance cover against the Council's Asset Register to ensure that all items are adequately covered. The Clerk/RFO has compared the items included in the Asset Register with

the insurance cover. The Asset Register includes a column that lists the insurance cover for each relevant asset and identifies, for insurance valuation purposes, any asset that is low in value or not at risk.

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. Identifying VAT payments and re-claims. Any previous audit recommendations implemented).

12.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides the Council with monthly Finance Reports which are considered and approved by the Council at each meeting. Bank balances are routinely reported to Councillors, who are provided with information to enable them to make informed decisions.

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

12.3 Internet Banking is in place. At its meeting on 14 September 2021 the Council confirmed that the changes to the bank mandate and added administration access for the Clerk/RFO under the internet banking arrangements (Minute 150222/33 refers). A Schedule of Payments is circulated by the Clerk/RFO to Councillors prior to Council meetings to enable the Council to approve the payments to be paid by internet banking through the approved authorising processes (the Clerk/RFO to initiate the payment and a Councillor to authorise on-line).

12.4 The Internal Audit report for the previous year (2020/21) was undertaken by SALC and was received and accepted by the Council at its meeting on 27 April 2021.

12.5 The Council received the Internal Audit Plan for the year 2021/22 at its meeting on 15 February 2022 and formally appointed the Internal Auditor for the year (Minute 150222/332 refers).

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

13.1 The Council received the Certificate and Report from the External Auditors for the year 2020/21 at the meeting held on 12 October 2021. In the report dated 23 August 2021 the External Auditor had raised two issues of concern which the Clerk/RFO explained in detail to the Council (Minute 121021/35 refers)

13.2 For the year 2021/22 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:

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

14.2 The Council agreed the dates for the Period for the Exercise of Public Rights at its meeting on 27 April 2021 (Minute 270421/25 refers).

14.3 Following the completion of the External Audit:

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 Clerk/RFO confirmed to the Council on 12 October 2021 that the Conclusion of Audit for the year 2020/21 had been advertised on-line and on the village notice board.

Internal Auditor was able to confirm that the documents relating to the year 2020/21 were readily accessible on the Council's website:

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

14.5 The Council was not subject to the Transparency Code for smaller Councils for the year ending 31 March 2021 as income/expenditure exceeded £25,000. The Council will be subject to the Code in 2021/22 (the Code was introduced by central government in 2015 to ensure that all Councils with an annual turnover of up to £25,000 make public a raft of information about their financial dealings and governance).

15. Additional Comments.

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



Trevor Brown, FCPFA
Internal Auditor

25 April 2022

10

TREVOR BROWN CPFA
Internal Audit Services
Charnwood, California, Woodbridge, Suffolk IP12 4DE
Tel: 01394 384698 or 07587 523764 Email: tadbrown01@yahoo.co.uk