

Report to Beyton Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2023

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2022/23 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 2022/23 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: £42,304.23
Total Payments in the year: £21,006.03
Total Reserves at year-end: £49,932.92

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 2022):</i>	<i>Box 1: £28,635</i>
<i>Annual Precept 2022/23:</i>	<i>Box 2: £23,186</i>
<i>Total Other Receipts:</i>	<i>Box 3: £19,118</i>
<i>Staff Costs:</i>	<i>Box 4: £7,086</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £13,920</i>
<i>Balances carried forward (31 March 2023):</i>	<i>Box 7: £49,933</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £49,933</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 2022/23 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 10 May 2022. The first item of Parish Council business was the Election of a Chairman, as required by the Local Government Act 1972. At the meeting on 10 May 2022, the Council agreed the membership and Terms of Reference of the Staffing Committee. Councillors were also appointed to key 'officer' positions in the Council.

2.2 Standing Orders are in place. The Council reviewed and adopted the Standing Orders at the meeting on 10 May 2022, having noted the amendment made to Financial Controls and Procurement Section. On 14 March 2023 the Council agreed to amend Standing Orders to reflect changes in procurement thresholds. 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 10 May 2022 the Council reviewed the Financial Regulations and agreed to adopt them. At the meeting on 14 June 2022 the Council agreed to adopt some amendments recommended by NALC. Similarly, on 14 March 2023 the Council agreed to amend Financial Regulations to reflect changes in procurement thresholds and, in accordance with Financial Regulation 6.11 the Chairman received a copy of an Emergency Continuity Plan in a sealed and dated envelope.

2.4 At the meeting on 8 November 2022 the Council agreed to increase the financial limits within the Financial Regulation 4.1 from £100 to £500: *'to allow a duly delegated committee of the council for items over £500' and 'the Clerk, in conjunction with the Chairman of Council or Chairman of the appropriate committee, for any items below £500'.*

2.5 A Responsible Financial Officer (RFO) is in place. 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).

2.6 As part of its overall governance arrangements, the Council has in place a Staffing Committee (with agreed Terms of Reference) and a Parish Infrastructure (PIIP) Working Party (adoption having taken place on 12 October 2021, Minute 121021/37 refers). The Working Party does not have delegated powers, all recommendations are to be referred to Full Council.

2.7 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. The Council demonstrates good practice by publishing draft Minutes (prior to formal approval by the Council) to keep residents advised of Parish Council business.

2.8 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 2023). The Council noted the renewal of the registration at its meeting on 14 June 2022 and agreed to set up a standing order to the ICO to secure a lower annual fee.

2.9 To assist compliance with the General Data Protection Regulations (GDPR) the Council has adopted a number of Policies and Procedures (all have been published on the Council's website) including:

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

2.10 The Council has also 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 the Council's meeting on 7 February 2023, following a review by two nominated Councillors, the following policies were adopted:

Safeguarding
Internet Banking
Health and Safety Policy
Equal Opportunities
Complaints Procedure
Filming, Videoing, Photography and Audio Recording Policy.
Co-option Policy

2.12 On 14 March 2023 the Council reviewed and adopted the following Policies:

Data Breach
Electronic Communications Policy
Vexatious Policy
Equality Policy
Sickness Absence Policy
Grievance Policy
Meeting attendance
Disciplinary Policy
Reserves Policy

2.13 At the meeting on 10 May 2022 all Councillors confirmed receipt of the new Local Government Association (LGA) Model Councillor Code of Conduct. The Clerk confirmed the local principal authorities had adopted this new model and SALC have recommended it is adopted. The Council agreed to adopt the new LGA Model Councillor Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor. A copy of the Code has been published on the Council's website.

2.14 During the 2022/23 year the Council made significant progress regarding the Neighbourhood Plan (NP). At the meeting on 14 June 2022 all Councillors confirmed receipt of the final copy of the pre-submission and agreed adoption of the NP. Information regarding the NP has been published on the Council's website. The Council noted on 7 February 2023 that the Plan had been submitted to the District Council.

2.15 The Council demonstrates good practice by publishing a Website Accessibility Statement in accordance with the website accessibility regulations. The Clerk/RFO confirmed to the Internal Auditor that the website is checked regularly to confirm its compliance with the Accessibility Guidance.

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 At its meeting on 14 June 2022 the Council noted that the £150 cheque payment for the Jubilee band had not been cashed due to the band requiring payment in cash. The Clerk/RFO had paid the cash and was reimbursed with a bank transfer authorised by Councillors.

3.3 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.

3.4 Re-claims for the amounts of VAT paid are regularly submitted to HMRC. The Council noted at its meeting on 14 June 2022 that the re-claim of £1,577.76 for VAT paid in the 2021/22 year had been received from HMRC.

3.5 The Clerk/RFO has constructed a Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2023 which shows £7,314.35 brought forward at the end of the previous year (31 March 2022) with Nil Receipts and Nil payments in the year 2022/23. Accordingly, the balance of £7,314.35 is displayed as retained as at 31 March 2023. 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 2023.

3.6 The Clerk/RFO has constructed a Statement of Variances (explaining significant differences in receipts and payments between the years 2021/22 and 2022/23) for submission to the External Auditors and which has been published on the Council's website. The External Auditors require an explanation where the Carry Forward Reserves are greater than twice the income from local taxes/levies. The Clerk/RFO has addressed this issue on the Statement of Variances.

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 (£49,871.33) and the Barclays Business Premium Account (£100.79) as at 31 March 2023 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 its meeting on 10 May 2022 the Council resolved to re-adopt the Finance and the Village Green risk assessments, noting that they were working documents and would be subject to on-going review during the year.

6.2 The Council received a review of the Internal Control Statement at its meeting on 7 February 2023 and considered and accepted the review (Minute 070223/35 refers).

6.3 The Council also noted at its meeting on 7 February 2023 that a full review of the risk assessments for the Clerk, financial management and the Vehicle Activated Sign (VAS) has been undertaken by the nominated Councillor. The Council formally agreed to adopt the risk assessments as reviewed relating to the Clerk/RFO, the Financial Management and the VAS. The Council also agreed to adopt the risk assessment for Volunteers, noting this had been forwarded by the District Council.

6.4 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.

6.5. One of the most significant risks for many smaller local councils relates to play equipment. In this respect, the Council receives regular reports upon playground issues. The Council noted on 14 June 2022 that visual inspections had been carried out twice monthly at the Village Green play equipment and a check sheet completed with no issues arising to report to the Council. Similarly, the Council noted on 10 January 2023 that the nominated Councillor had visited the site and confirmed all play equipment appeared to be in good working order and the completed check lists were to be forwarded to the Clerk/RFO for retention.

6.6 The Council noted on 7 February 2023 that an annual RoSPA level inspection of the play equipment taken place in January 2023 and the report has been received with no urgent recommendations being put forward. The Inspection Report was considered in detail at the meeting on 14 March 2023, when the Council agreed to replace the sign informing visitors of the rules of the play equipment and noted that a nominated Councillor would continue to undertake regular visual inspections and complete a monthly checklist for the Clerk/RFO.

6.7 Insurance was in place for the year of account. At the meeting on 14 June 2022 the Council agreed to renew the insurance cover with Community Action Suffolk (CAS) for the period 16 June 2022 to 15 June 2023 at a cost of £572.43 per annum under a long-term undertaking. The Council noted that assets of £103,000 were covered by the insurance policy. Public Liability cover stands at £10m.

6.8 Fidelity Guarantee (Councillor/Employee dishonesty) insurance cover of £100,000 was in place with effect from 17 April 2023 and 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.

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

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

Precept 2023/24: £23,186.01 (10 January 2023, Minute 090123/41 refers).

7.1 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 2022 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.

7.2 The Clerk/RFO presented a first draft budget for 2023/24 at the meeting of the Council on 8 November 2022. All Councillors confirmed receipt of a draft budget for

2023/24 prior to the meeting held on 10 January 2023 and noted that whilst the budget as presented is set at the same level as the 2022/23 year it was adequate to ensure the Council is able to carry out all statutory functions in 2023/24. The Council agreed to set the precept for 2023/24 at £23,186.01.

7.3 The Precepts were agreed in Full Council and the precept decision and amount have been clearly Minuted.

7.4 Good budgetary procedures are in place. During the year 2022/23 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 2022/23 were used effectively for financial control and budgetary control purposes.

7.5 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.

7.6 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.

7.7 Similarly, the Clerk/RFO keeps the Council advised of the level of general reserves in relation to the precept.

7.8 The Overall Reserves available to the Council at the year-end 31 March 2023 were £49,932.92, of which £42,104.59 is earmarked/restricted,

7.9 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) of £7,828.33 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 5.33 refers).

7.10 As at the 31 March 2023, 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 (£23,186.01), CIL Receipts (£14,590.23), Grants from MSDC (£2,950), VAT recovered from HMRC (£1,577.76) and Bank Interest (0.23).

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. Publication Requirements and the Transparency Code (Compliance for smaller councils with income/ expenditure under £25,000).

10.1 Under the provisions of the Transparency Code, Beyton Parish Council can be designated as a 'Smaller Council'. The Council was subject to the Transparency Code for smaller Councils for the year ending 31 March 2022 as income/expenditure did not exceed £25,000. 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.

10.2 The Council's website is <https://beyton.suffolk.cloud/>

10.3 Smaller authorities should publish on their website:

- a) All items of expenditure above £100:
[Detailed in published Minutes on the website](#)
- b) Annual Governance Statement, AGAR, Section One:
[2021/22 document published on website](#)
- c) End of year accounts, AGAR, Section Two:
[2021/22 document published on website](#)
- d) Annual Internal Audit report within AGAR:
[2021/22 document published on website](#)
- e) List of councillor or member responsibilities:
[Published on the website](#)
- f) Details of public land and building assets (Asset Register):
[Published on the website](#)
- g) Minutes, agendas and meeting papers of formal meetings:
[Published on the website](#)

10.4 The Council is complying with the requirements of the Transparency Code.

10.5 The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 required the Council to publish a 'Notice of Public Rights and Publication of Annual Governance and Accountability Return (Exempt Authority)' on a publicly accessible website. The Notice was identified as easily accessible on the Council's website.

10.6 The Council agreed the dates for the Period for the Exercise of Public Rights at its meeting on 10 May 2022 (Minute 100522/64 refers). The dates are listed as Monday 13 June 2022 to Friday 22 July 2022 (incorrectly stated as Friday 24 July on the formal Notice).

10.7 The 2021/22 documents required to be published, as listed in the AGAR Page 1 Guidance Notes (including Certificate of Exemption, bank reconciliation and analysis of variances) were identified as easily accessible on the Council's website.

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

11.1 The Council's Payroll is being operated in-house 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.

11.2 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).

11.3 A Contract of Employment for the Clerk/RFO. item 9.1 of the contract of employment states the commencing salary is payable at Scale Point (SCP) 17. On 8 November 2022 the Council noted an increase of £1,925 per year (pro rata) in the Clerk/RFO's salary had been agreed by the National Joint Committee (NJC) and was to be back dated from 1 April 2022 in line with the contract of employment (Minute 081122/73 refers), As at 31 March 2023 the salary was payable at SCP 17 for 10 hours paid work per week.

11.4 At its meeting on 10 January 2023 the Council noted that the Staffing Committee had completed the annual appraisal of the Clerk/RFO and confirmed that all the requirements of the Council are being met (Minute 090123/63 refers).

11.5 With regard to the legislation relating to workplace pensions, the Clerk/RFO confirmed that a re-declaration of compliance to the Pensions Regulator, to comply with the Pensions Act 2008, is not due until July 2023. (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).

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 is reviewed and approved by the Council routinely during the year and the action Minuted.

12.2 The Register records the original purchase cost, where known. The value of £49,835 as at 31 March 2023 is unchanged from the value at the end of the previous year, 31 March 2022.

12.3 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.

12.4 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.

13. 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).

13.1 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.

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

13.3 Internet Banking is in place. The Council agreed on 14 September 2021 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).

13.4 The Internal Audit report for the previous year (2021/22) was received and accepted by the Council at its meeting on 10 May 2022.

13.5 The Council received the Internal Audit Plan for the year 2022/23 at its meeting on 7 February 2023 and formally appointed the Internal Auditor for the year (Minute 070223/49 refers).

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

14.1 An External Audit was not required for the year 2021/22. The Council applied 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. The date of the completion of the Exemption Certificate application was 12 July 2022, outside of the deadline date of 30 June 2022 set by Regulation.

14.2 An External Audit Intermediate Review is required for the year 2022/23 as the higher of gross income or gross expenditure exceeded £25,000 in the year of account.

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

Trevor Brown, CPFA

Internal Auditor

19 April 2023