

## **Report to Beyton 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 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 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: £37,296.59*  
*Total Payments in the year: £43,982.00*  
*Total Reserves at year-end: £43,247.51*

1.5 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 2023):</i>	<i>Box 1: £49,933</i>
<i>Annual Precept 2023/24:</i>	<i>Box 2: £23,186</i>
<i>Total Other Receipts:</i>	<i>Box 3: £14,111</i>
<i>Staff Costs:</i>	<i>Box 4: £8,567</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £35,415</i>
<i>Balances carried forward (31 March 2024):</i>	<i>Box 7: £43,248</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £43,248</i>
<i>Total fixed assets:</i>	<i>Box 9: £50,003</i>
<i>Total borrowings:</i>	<i>Box 10: £0</i>

1.6 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 2023/24 within the AGAR.

1.7 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 9 May 2023. The first item of Parish Council business was the Election of a Chairman, as required by the Local Government Act 1972.

2.2 As part of its overall governance arrangements, the Council has in place a Staffing Committee and at the meeting on 9 May 2023 the Council agreed Terms of Reference for the Committee. Councillors were also appointed to key 'officer' positions in the Council.

2.3 Standing Orders are in place and were re-adopted by the Council at the meeting on 5 March 2024. 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.

2.4 Financial Regulations (FR) are also in place and are regularly reviewed. At the meeting on 6 February 2024 the Council agreed to amend the FR to reflect changes in the procurement thresholds.

2.5 A Responsible Financial Officer (RFO) is in place, the Council having appointed Mrs Tina Newell as permanent Clerk/RFO at the meeting held on 4 May 2021 (Minute 040521/51 refers).

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

2.7 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 2024). The Council has set up a standing order to the ICO to secure a lower annual fee.

2.8 To assist compliance with the General Data Protection Regulations (GDPR) the Council re-adopted on 5 March 2024 a number of Policies and Procedures (all have been published on the Councils website):

*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*  
*Data Breach*  
*Electronic Communications*

2.9 The Council has also re- adopted a Model Publication Scheme and Freedom of Information Policy to support meeting the requirements of the Freedom of Information Act. The documents have been published on the Council's website.

2.10 The Council demonstrates good practice by maintaining a wide range of other formal Policies and Procedures. At the Council's meeting on 5 March 2024, following a review by a nominated Councillor, the following Policies were adopted:

*Equal Opportunities*  
*Equality*  
*Reserves*  
*Disciplinary*  
*Meeting attendance*  
*Grievance*  
*Vexatious*  
*Sickness Absence*  
*Health & Safety*  
*Filming*  
*Safeguarding*  
*Internet Banking*  
*Complaints*  
*Co-option*

2.11 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 has been published on the Council's website.

2.12 During the 2023/24 year the Council made progress regarding the construction of a Neighbourhood Plan (NP). At the meeting on 6 June 2023 the Council noted that the comments received from the recent public consultation would be submitted to the District Council. On 4 July 2023 the Council noted that the NP was with the Examiner. The local referendum took place on 4 April 2024 and the question asked was 'Do you want Mid Suffolk District Council to use the Neighbourhood Plan for Beyton to help them decide planning applications in the neighbourhood area? Of the 562 eligible to vote 184 (32.74%) voted resulting in 178 (96.74%) in favour and 6 (3.26%) not in favour.

2.13 The Council demonstrates good practice by publishing a Website Accessibility Statement to assist in meeting the website accessibility regulations.

**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 Payments made under the Local Government Act 1972 Section 137 in the year of account have been separately recorded.

3.3 VAT payments are tracked and identified within the End-of-Year Accounts. Re-claims for the amounts of VAT paid are regularly submitted to HMRC. The Council noted at its meeting on 6 June 2023 that the re-claim of £926.12 for VAT paid in the 2022/23 year had been received from HMRC on 10 May 2023.

3.4 The Clerk/RFO has constructed a Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2024 which shows £7,314.35 brought forward at the end of the previous year (31 March 2023) with £11,992.69 Receipts and £6,880.89 Payments in the year 2023/24, relating to the purchase of the Village Green. Accordingly, a balance of £12,426.15 is displayed as retained as at 31 March 2024 as a Restricted Reserve. 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 2024.

3.5 A Statement of Variances (explaining significant differences in receipts and payments between the years 2022/23 and 2023/24) is being prepared by the Clerk/RFO for submission to the External Auditors and 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 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 (£12,994.95) and the Barclays Business Premium Account (£30,252.56) as at 31 March 2024 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 6 June 2023 the Council agreed that Risk Assessments and Policies should be reviewed at least annually (having previously been reviewed in February 2023) and that the review would take place in February 2024. At the meeting on 9 January 2024 the Council nominated a Councillor to review the Internal Controls. Subsequently, the Council agreed the Statement of Internal Control Statement at its meeting on 5 March 2025 (Minute 050324/36 refers) and received and accepted the review of the Internal Controls (Minute 050324/37 refers).

6.2 The Council also received a review of the following risk assessments and agreed to adopt them with no amendments:

- Volunteer
- Vehicle Activated Device
- Clerk
- Financial

6.3 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.

6.4. 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 received a report on 6 June 2023 that the nominated Councillor had visited the Village Green play equipment site, visual inspections had been carried out and the Council agreed subsequent action.

6.5 The Annual Play Inspection Report was undertaken by the Play Inspection Company on 23 January 2024 and a copy has been published on the Council's website. The Council noted on 9 April 2024 that there are no areas of high risk identified and the Report is due to be fully considered at the May 2024 meeting of the Council. A nominated Councillor continues to undertake regular visual inspections and complete a monthly checklist for the Clerk/RFO.

6.6 Insurance was in place for the year of account. At the meeting on 6 June 2023 the Council noted that the cover expired on 15 June 2023 and agreed to delegate to the Clerk/RFO and a nominated Councillor the review of the three quotes received and renew the insurance noting the renewal would be with the provider that offers

the best cover for the Council's requirements and may not be the cheapest. At the meeting on 4 July 2023 the Council noted that insurance cover has been renewed with Ansvr via through Community Action Suffolk at a cost of £627.14 and included Fidelity Guarantee cover of £100,000 and assets insured of £96,985.

6.7 Employers Liability cover and Public Liability cover each stand at £10m. The Fidelity Guarantee (Councillor/Employee dishonesty) cover of £100,000 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 2023/24: £23,186.01 (10 January 2023, Minute 090123/41 refers).

Precept 2024/25: £23,357.40 (5 December 2023, Minute 051223/29 refers).

7.1 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.

7.2 The Clerk/RFO presented a first draft budget for 2024/25 at the meeting of the Council on 7 November 2023. The budget was again considered and agreed by the Council on 5 December 2023. with a budget set for 2024/25 at £23,357.40. The only receipt budgeted was the precept and the Council resolved to set the precept for the financial year 2024/25 at £23,357.40

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 2023/24 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 2023/24 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 with details of the Earmarked Reserves held to ensure that Councillors are 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 2024 were £43,247.51, of which £12,426.15 is CIL Restricted Funds and £18,817.93 is recorded as Earmarked Reserves.

7.9 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) of £12,003.43 (51% or 6 months equivalent of the 2024/25 Precept) 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/Precept (the JPAG Proper Practices Guide, Item 5.33 refers).

7.10 As at the 31 March 2024, 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 of £37,296.59 recorded in the Cashbook Spreadsheet consisted of Precept (£23,186.01), CIL Receipts (£11,992.69), Grants (£1,000), VAT recovered from HMRC (£926.12), BVA (£40) and Bank Interest (151.77).

#### **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 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.

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 A Contract of Employment for the Clerk/RFO is in place. As at 31 March 2023 the salary was payable at SCP 17 for 10 hours paid work per week.

10.4 At the meeting on 10 October 2023 the Council noted that the Staffing Committee had completed the annual appraisal of the Clerk/RFO and confirmed that the Parish Council is well served by the Clerk/RFO. The Council agreed with the

recommendation from the Staffing Committee and resolved to increase the Clerk/RFO's salary to, SCP 21 (Minute 101023/51refers).

10.5 On 5 December 2023 the Council noted the National Joint Council (JNC) for Government had announced an annual pay award for local government officers (2023/24) which had resulted in back-dated pay of £316.20 for the Clerk/RFO.

10.6 With regard to the legislation relating to workplace pensions, at the meeting on 6 June 2023 the Clerk/RFO confirmed to the Council that the redeclaration of compliance had been submitted to the Pensions Regulator 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 £50,003 as at 31 March 2024 is an increase of £168 over the £49,835 value at the end of the previous year (31 March 2023) and reflects the addition of:

The Village Green: at proxy/community value:	£1.00
Football Nets:	£98.00
Hard Disk for Clerk:	£69.00

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. The bank mandate in place provides administration access for the Clerk/RFO under the internet banking arrangements. 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 (2022/23) was received and accepted by the Council at its meeting on 9 May 2023.

12.5 The Council received the Internal Audit Plan for the year 2023/24 at its meeting on 9 January 2024 and formally appointed the Internal Auditor for the year (Minute 090124/27 refers).

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

13.1 The External Audit Report for the year 2022/23 was dated 27 July 2023 and was received by the Council at its meeting on 5 September 2023. The Report raised no issues of concern.

13.2 An External Audit Intermediate Review is required for the year 2023/24 as the higher of gross income or gross expenditure exceeded £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 each year):

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

At its meeting on 9 May 2023 the Council agreed that the period for the exercise of public rights commenced on 5 June 2023 and ended on 14 July 2023.

14.2 Following the completion of the External Audit (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 At the meeting on 5 September 2023 the Council noted that the Clerk/RFO had prepared and published a 'Notice of conclusion of audit' along with Sections 1-3 of the concluded audit.

14.4 The Internal Auditor was able to confirm that at the time of the audit the relevant documents were readily accessible on the Council's webpage:

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

## **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**

**23 April 2024**