

BENHALL & STERNFIELD PARISH COUNCIL

Internal Audit Report Year Ended 31st March 2023

Income £15,720

Expenditure £14,546

Precept £9,500

1. Summary

- 1.1 During the year the Council maintained effective Governance. Information provided for review at Parish Council meetings was comprehensive facilitating sound Governance.
- 1.2 By examination of the 2022/23 accounts and supporting documentation it was confirmed that the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's Financial Affairs, all relevant areas of the Financial Reporting regulations were strictly adhered to.
- 1.3 I have reviewed the Annual Governance and Accountability Return (AGAR) have agreed the figures in Section 2 with the Accounting Records.
- 1.4 The following Internal audit work was carried out on the adequacy of the systems of Internal Control, comments and any recommendations are given below.

I would like to thank the RFO for her time discussing the Council's affairs, the presentation of relevant documentation and subsequent discussions regarding Audit Matters.

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2. Proper Book-keeping

- 2.1 The cash book spreadsheet is well referenced and provides a clear audit trail to the financial statements. The source documents are properly approved as are the Payment instructions. I have not attended a PC meeting but I am satisfied that approval by initial of source documents is correctly carried out at the meeting. Also, in accordance with your Financial Regulations (5e) payments to be made are individually identified at each Parish Council meeting and minutes prepared accordingly.

3. Governance, Standing Orders and Financial Regulations

- 3.1 Standing Orders and Financial Regulations are in place, these were reviewed by the Parish Council and no changes were considered necessary. (Minute 7 PC Meeting 28th September 2022)
- 3.2 The New Local Government Act – Councillor Code of Conduct was adopted at the Parish Council Meeting on 27th July 2022 (Minute No. 6)
- 3.3 The Council is Registered with the Information Commissioners Office with the current 5 year registration ending on 28th July 2023. The current responsible Officer is Councillor Durrant.

4 Internal control and Management of Risk.

4.1 The Council in the January meeting (Ref 7) agreed to adopt the Cemetery Risk Assessment, Financial Risk Assessment and GDPR Risk Assessments without change. The General Risk Assessment was amended in respect of the lighting of the Parish Council Beacon.

4.2 The Council is satisfied that the existing methods of internal Control are adequate.

4.3 Bank reconciliations are prepared for each Parish Council meeting and duly approved.

5 Transparency Code (Compliance for Smaller Councils with income/expenditure under £25,000)

Benhall & Sternfield Parish Council is designated as a “Smaller Council”. The Council’s web-site is: www.benhall.org.uk

Smaller Councils should publish on their website:

- a) All items of expenditure above £100 Included with the published Minutes and Reports to Council meetings
- b) Annual Governance Statement AGAR Annual return Section One
- c) End-of-Year accounts: AGAR Section Two
- d) Annual Internal Audit Report within AGAR
- e) List of Councillors
- f) Minutes, agendas and meeting papers of formal meetings.

A review of the Website confirms that all of these items were properly recorded (AGAR 2021/22)

6 Budgetary Control

There is a very comprehensive procedure in place for the preparation and review of budgets. Regular reviews were carried out and recommendations for changes/savings made by the RFO. The Budget was used to set the precept level for the following year. The RFO reports on Expenditure against Budget at each Parish Council Meeting.

7 Income Controls

Income controls were checked and income received and banked cross referenced to the cash book.

8 VAT

VAT is properly accounted for and the request for repayment submitted on line. The claim for the period 1st Feb 2022 to 31st January 2023 was duly submitted and the bank receipt registered on 13th February 2023.

9 Petty cash

No petty cash is held

10 Payroll Controls

Payroll Services are being operated in-house. PAYE is properly accounted for. A review of the Bank Statements confirms regular and prompt settlement of the PAYE Liability to HMRC.

11 Community Infrastructure Levy (CILS)

Comprehensive records are kept of Receipts and Expenditure with a clear indication of review to ensure expenditure is compliant with current guidelines. Regular reports are reflected in the minutes of CILS expenditure and a review to ensure expenditure is completed within the agreed timescale. The Annual Return for the Year Ended 31st March 2022 (Approved at the Parish Council Meeting on 16th November 2022, Item 9b) was submitted to East Suffolk Council on 18th November 2022.

12 Asset Control

The Asset Register was updated on 18th January 2023 detailing Description, Cost and Acquisition Date where available. The value at 18th January was £52,024. This was reviewed and approved by the Parish Council at that date (Item 5) and subsequently updated to the Parish Website.

Insurance cover has been checked and is adequate.

13 Observations and Recommendations

The quality of the accounting records is exceptional with cross referencing to source documents and regular provision of information to the Parish Council facilitating sound management of the Council's affairs.

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