

Annual Internal Audit Report 2022/23

STUTTON PARISH COUNCIL

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During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

24/05/2023

Name of person who carried out the internal audit

E. R. LAWSON FCCA

Signature of person who carried out the internal audit



Date

24/05/2023

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned: or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

STUTTON PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	/		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	/		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	/		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.		/	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	/		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	/		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	/		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	/		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

12/06/2023

and recorded as minute reference:

MINUTE REFERENCE 119/PC/23

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

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Section 2 – Accounting Statements 2022/23 for

STUTTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	4,9696	103,162	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	11,030	11,110	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	61,344	59,066	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	4,423	3,961	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	-	-	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	14,486	42,278	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	103,162	126,200	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	103,162	126,200	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	47,424	47,424	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	-	-	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)				The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date 12/06/2023

I confirm that these Accounting Statements were approved by this authority on this date:

12/06/2023

as recorded in minute reference:

120/PC/23

Signed by Chairman of the meeting where the Accounting Statements were approved



Stutton Parish Council

18 Cattsfield Stutton Suffolk IP9 2SP
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Bank Reconciliation For Year Ending 31st March 2023

Balance in Current Account	<u>126,200.35</u>
	126,200.35
Balance at 31st March 2022	103,161.64
Receipts	<u>70,176.33</u>
	173,337.97
Less Payments	47,137.62
	<u>126,200.35</u>



Stutton Parish Council
Income & Expenditure
Year Ending 31st March 2023

<u>2020/21</u>	<u>2021/22</u>		<u>2022/23</u>
		<u>INCOME</u>	
11,130.00	11,030.00	Precept	11,110.00
-	402.00	Grant	
5,797.00	27,018.00	Miscellaneous	
16,183.61	32,048.92	CIL	57,199.33
522.24	555.73	Bottle Bank	222.70
607.08	420.28	VAT Reclaimed	1,644.40
34,239.93	72,374.93		70,176.33
		<u>EXPENDITURE</u>	
7,259.16	6,901.66	General Administration	40,328.93
140.00	500.00	S137	875.00
1,097.66	1,201.73	Lighting & Churchyard	1,137.19
913.96	1,830.74	Amenity Areas	2,589.10
607.08	420.28	VAT to Reclaim	1,644.40
69.00	8,055.00	Neighbourhood plan	563.00
	470.74	Less Chq 1484 not presented	-
10,086.86	18,438.67		47,137.62
		<u>CUMULATIVE FUND BALANCE</u>	
25,543.05	49,696.12	Balance at 31st March	103,161.64
34,239.93	72,374.93	Add Total Income	70,176.33
59,782.98	122,071.05		173,337.97
10,086.86	18,438.67	Less Total Expenditure	47,137.62
49,696.12	103,632.38		126,200.35

[Handwritten signature]

Stutton Parish Council
Balance Sheet
Year Ending 31st March 2023

2021/22

2022/23

CURRENT ASSETS

	VAT recoverable	
103,161.64	Cash at Bank	126,200.35
103,161.64	FUND BALANCE	126,200.35

The above statement represents fairly the financial position of the Authority as at 31st March 2023

Approved by the Council on..... *12/6/23*

.....
Chairman

.....
Responsible Financial Officer

Stutton Parish Council Notes to Accounts - Year Ending 31.3.23

1. FIXED ASSETS

War Memorial	15,077
War Memorial Boulder	1,799
Street Lighting	6,594
Bus Shelters	5,553
Street Furniture, Bins	9,642
Speedwatch Equipment	599
Grit Bins	564
SID	2,731
HP Lap top	674
HP Laserjet Printer	158
Telephone box	2,000
War Memorial bench	954
Defibrillator	1,079
	<u>47,424</u>

2. BORROWINGS

As at close of business on 31st March 2023, the council had no borrowings

3. LEASES

As at close of business on 31st March 2023, there no leases

4. DEBTS OUTSTANDING

As at the close of business on 31 March 2023 there were no debts due to the Council.

5. TENANCIES

As at the close of business on 31 March 2023, there were no tenancy agreements in operation.

6. ADVERTISING & PUBLICITY

As at the close of business on 31 March 2023 the Council incurred no expenditure on advertising and publicity.

7. AGENCY WORK

The Council did not undertake any agency work on behalf of other authorities during the year.

8. S137 PAYMENTS

The limit of spending under S137 of the Local Act 1972 for this Council in the year ended 31 March was £6509.16 and the payments were:

Stutton Community Shop	£ 185.00
Holbrook High School (Prize Donation)	£ 30.00
Stutton & Holbrook 1st responders	£ 160.00
Stutton Community Association	£ 500.00

£ 875.00

9. CONTINGENCY LIABILITIES

The Council is not aware of any contingent liabilities as at 31 March 2023.

10. PENSIONS

No contributions were made by the Council for any employees during the year

Stutton Parish Council - Explanation of Variances 2022/23

	31-Mar-2022	31- Mar-2023	Variance %	Reason if >15% & >£200		
1 Balances B/F	49696	103162	107.59		1	
2 (+) Annual precept	11030	11110			2	
3 (+) Total other receipts	61344	59066	-3.71		3	22/23
				CIL		32949 57199.23
				Bottle Bank		555 222
				VAT		420 1644
				Community facility payment		25000
				Groundworks		2018
				Babaugh DC Grant		402
4 (-) Staff costs	4423	3961	-10.45		4	
5 (-) Loan interest/capital repa	0	0	0.00	HMRC £462 - awaiting refund	5	
6 (-) Total other payments	14486	42278	191.85		6	21/22 22/23
				Lighting		£901.73 £837.19
				Hire of Hall		£200.00 £260.00
				Stamps & Stationary		£91.60 £99.09
				Bins		£534.15 £483.72
				Subs & training		£362.23 £364.44
				S137		£500.00 £875.00
				Neighbourhood plan		£8,055.00 £563.00
				Amenity area		£1,830.74 £2,589.10
				VAT		£470.74 £1,644.40
				Quiet Lane contribution		£50.00
				Donation to Village Hall		£4,000.00
				CIL expenditure		£30,050.00
				Defibrillator		£80.00
				Tree Cutting		£760.00
				Land registry		£40.00
7 (=) Balances C/F	103162	126200	22.33		7	
8 Total cash and investments	103162	126200	22.33		8	
9 Total fixed assets and long	47424	47424	0.00		9	
10 Total borrowings	0	0	0.00		10	

Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

£

Earmarked reserves:

Play Area	3088
Election Fund	1000
Speed watch	350
SID	350
Street lighting	3000
Dropped Kerb	1000
Green Way	2000
Community Hall	4000
CIL	77331
Community grant	25000
	<u>117119</u>

General reserve 9081

Total reserves (must agree to Box 7) 126200

