

**Bentley Parish Council**  
**Internal Audit Report 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025**

**Chair:** Marianne Munday  
**Parish Clerk & RFO:** Joy Scott

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<b>2024/2025 Precept</b>	£ 15,000.00	
<b>Total Income</b>	£ 51,735.88	
<b>Total Expenditure</b>	£ 51,583.59	
<b>Reserves</b>	<b>General:</b> £687.20	<b>Earmarked:</b> £6,708.66 <b>CIL Funds:</b> £19,919.16

FINANCES		
1.	Records for Income and Expenditure	<p>The council uses an excel spreadsheet to form the basis of their accounts.</p> <p>Council operates its accounts on a receipts and payments basis in accordance with proper practices, and ensures that the financial transactions of the council are correctly recorded and that the records are as accurate as reasonably practicable.</p> <p>The cashbook is the focus of the day-to-day accounting and the RFO is aware that the reconciliation of the bank statement remains the most important control over the accounting system. Council follows proper practices in ensuring that its accounts give an accurate representation of the council's finances.</p> <p>Payments, along with income are reported at each meeting of council.</p> <p>Subscriptions were approved by council at its meeting held 9<sup>th</sup> May 2024.</p> <p>Council documents the powers used for each payment ensuring they are within the remit of the council.</p> <p>For further transparency and scrutiny, the RFO, in accordance with best practice, references all payments and receipts with a description as to the expenditure and income and records them in clearly identified budget lines.</p>
2.	Financial Control	<p>As per the councils own Financial Regulations 2.6, the RFO carries out quarterly reconciliations These are reviewed and approved by the Finance Working Group.</p> <p>Subscriptions, grants and s137 allocations for 2024-2025 were approved at a full council meeting held 9<sup>th</sup> May 2024.</p> <p>Budget Comparison Reports are issued to full council on a quarterly basis and are in accordance with the councils Financial Regulations which state:</p> <p><i>4.10. The agreed Budget provides a basis for monitoring progress during the year by</i></p>

		<p><i>comparing actual spending and income against what was planned.</i></p> <p>Expenditure Sheets are issued to councillors at each meeting detailing the payments to be approved.</p> <p>Council has decided to change over to Lloyds Bank to allow for internet banking. This has been a lengthy process with council still banking with Barclays and the transfer over not yet complete.</p>
<b>3.</b>	Accounting Records	<p>A sample of accounting records was spot-checked and found to be well maintained and clearly referenced.</p> <p>Invoices were verified for Council approval and properly recorded in both the cash book and bank statements.</p> <p>Bank reconciliations were reviewed against corresponding bank statements and confirmed to be accurate.</p> <p>The Clerk maintains precise control over the monthly bank statements and reconciliations.</p> <p>End-of-year balances are detailed at the conclusion of this report.</p>

4.	Petty Cash	The council does not maintain or operate a petty cash system for handling minor expenses.
5.	Online Banking	Council currently does not use online banking, however recorded within its minutes that it is in the process of changing to Lloyds Bank to allow for this change. This is ongoing with the clerk progressing and is hoped to soon be in place.
6.	Budgeting	At the meeting held on 4th January 2024, the council approved its budget for the upcoming financial year, ensuring that appropriate allocations were made to support its planned initiatives and responsibilities.
7.	Precept	<p>At a meeting of the full council held on 4th January 2024, it was agreed to set the precept for the 2024/2025 financial year at £15,000. This amount was calculated to result in a 5.19% increase for a Band D property.</p> <p>The total funds were received into the council's bank account in two equal instalments of £7,500, deposited in April 2024 and again in September 2024.</p> <p>A complete and transparent audit trail was maintained throughout the process—from the initial discussions and setting of the budget, to the formal agreement of the precept, submission of the precept demand to the charging authority (Babergh District Council), and the subsequent receipt of payments into the council's accounts.</p>
8.	Reserves	<p>The council's final accounts indicate that General Reserves stand at £687.26, while Earmarked Reserves total £26,627.82.</p> <p>Of this amount, £19,919.16 consists of Community Infrastructure Levy (CIL) funds, and £6,708.66 is specifically held on behalf of the Playing Field Society. This total also includes a sum of £1,269.58, which the Internal Auditor was informed is due to be paid into the Parish Council's accounts.</p> <p><b>RECOMMENDATION:</b> The council should remain mindful of established proper practices regarding reserves. According to the <i>Governance and Accountability for Smaller Authorities in</i></p>

		<p><i>England: A Practitioners' Guide</i> (JPAG), it is generally accepted that general (non-earmarked) reserves should be maintained within a range equivalent to three to twelve months of gross revenue expenditure. While this is not a strict rule, it represents best practice to ensure financial stability and adequate risk management.</p>
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9.	Community Infrastructure Levy (CIL)	<p>The council commenced the reporting period with a starting balance of £17,995.16. During this period, the council received income amounting to £13,206.00, while expenditures totalled £11,282.00. As a result, the council's ending balance stood at £19,919.16.</p> <p>The council's Community Infrastructure Levy (CIL) report is fully published and accessible on the official Parish Council website, providing transparency on the management of these funds.</p> <p>These CIL funds have been specifically allocated as earmarked reserves by the council. All associated income and expenditure transactions relating to these reserves have been recorded and detailed within the minutes of council meetings, ensuring clear and accountable financial governance.</p> <p>(Community Infrastructure Levy Regulations 2010)</p>
10.	S137	<p>For the financial year 2024–2025, Section 137 (s137) allocations were recorded at a value of £800.00, against an approved budget of £1,000.00.</p> <p>Payments made under s137 are documented within the council's cash book, providing clear and transparent evidence that these expenditures are made for the benefit of the local electorate.</p> <p>The referencing ensures accountability and demonstrates the council's commitment to using public funds responsibly.</p> <p>For the 2024/25 financial year, the Section 137 spending limit under the Local Government Act 1972 for Parish and Town Councils in England was set at £10.81 per elector.</p> <p>Section 137 grants local councils the power to incur expenditure on activities that benefit their area or inhabitants, provided that no other specific statutory power applies. Any such expenditure must be reasonable, justifiable, and in full compliance with the council's financial regulations.</p>

11.	General Power of Competency	The council had not adopted the General Power of Competency. ( <i>Localism Act</i> )
12.	VAT	<p>VAT is correctly identified, recorded, and claimed within the required statutory time limits.</p> <p>For the period under review, VAT totalling £5,924.27 was recorded within the council's cashbook.</p> <p>Income of £1,832.99 was received from HMRC on 9th May 2024 as a VAT reclaim.</p> <p>The Clerk advised that a payment was made in conjunction with Babergh District Council, however, it remains unclear whether Babergh District Council has claimed VAT on their portion of the expenditure. It is therefore recommended that the council contacts the Accounting Department at Babergh District Council to clarify which party is responsible for making this VAT claim.</p> <p>All relevant transactions were fully evidenced by entries in the cashbook and corroborated by the corresponding bank statements.</p>

PAYROLL	
13.	<p data-bbox="450 261 815 288">Contracts of Employment</p> <p data-bbox="853 261 2085 331">The Clerk of the council is employed under a formal contract, with remuneration aligned to the National Association of Local Councils (NALC) pay scale.</p> <p data-bbox="853 371 2085 442">Additionally, the Clerk holds the position of Responsible Financial Officer (RFO), as set out in the council's Financial Regulations, specifically section 1.5.</p> <p data-bbox="853 481 2085 552">This appointment was formally confirmed at the council meeting held on 6th February 2025.</p>
14.	<p data-bbox="450 596 551 624">Payroll</p> <p data-bbox="853 596 2085 667">Salary payments to the Clerk are clearly recorded within the council's cash book, with corresponding entries verified against bank statements confirming the payments made.</p> <p data-bbox="853 691 2085 761">Wages are agreed by full council during council meetings and are included as part of the bills to be paid.</p> <p data-bbox="853 785 2085 855">Payments due to HMRC for the period under review were made promptly and within the prescribed timescales.</p> <p data-bbox="853 895 2085 965">Any additional expenses incurred by the Clerk are subject to approval by the council, ensuring transparency and proper financial control.</p>
15.	<p data-bbox="450 1011 568 1038">Pension</p> <p data-bbox="853 1011 2085 1152">Council is aware of its pension responsibilities with its last re-declaration to the Pension Regulator detailed as being carried out on the 27<sup>th</sup> January 2022. Council is aware that this must be completed every three years, or under a change of staffing requirements. (<i>The Pension Regulator</i>)</p> <p data-bbox="853 1192 2085 1332"><b>RECOMMENDATION:</b> If not already done so, council must complete a re-declaration to the Pension Regulator, even if no staff need to be re-enrolled in the pension scheme. This process is part of the legal duties under the automatic enrolment legislation.</p>



POLICIES		
16.	Standing Orders	<p>The council adopted the NALC Model Standing Orders which were reviewed and approved by full council at meetings held 13<sup>th</sup> June 2024 and reviewed at a further meeting held 6<sup>th</sup> March 2025 advising of no updates.</p> <p><b>RECOMMENDATION:</b> NALC released an updated version of the model standing orders in April 2025. NALC have updated Model Standing Order (England) section 18 to comply with new procurement legislation and ensure consistency with the NALC Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f. NALC have also updated Model Standing Order (England) section 14 to better reflect Code of Conduct requirements. 14.a, 14.b, and 14.c have been removed. They have also changed the language in the document to gender-neutral terms to align with the Civility and Respect Policy.</p> <p><b>COMMENT:</b> Council has an old version of the Standing Orders published on the council website.</p>
17.	Financial Regulations	<p>The council has adopted the NALC Model Financial Regulations which were reviewed and approved by full council at meetings held 13<sup>th</sup> June 2024 and reviewed at a further meeting held 6<sup>th</sup> March 2025.</p> <p>The regulations have been tailored to the council.</p> <p><b>COMMENT:</b> Council has an old version of the Financial Regulations published on the council website.</p>

18.	Policies & Procedures	<p>The council has adopted and published a range of key governance and policy documents on its official website.</p> <p>These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Councillor Code of Conduct – revised model approved by council on 5th May 2022 (note: the version available on the website is dated 2021)</li> <li>• Social Media Policy</li> <li>• GDPR Statement of Compliance</li> <li>• GDPR Information and Data Protection Policy</li> <li>• GDPR Bentley General Privacy Notice</li> <li>• Document and Retention Policy</li> <li>• Complaints Procedure</li> <li>• </li> </ul> <p><b>COMMENT:</b> It is considered good practice for the Councillor Code of Conduct to be formally re-adopted following each election, to ensure that all newly elected members agree to adhere to its provisions at the beginning of their term.</p>
19.	Website Accessibility	<p>The Council has published both Accessibility Tools and a Website Accessibility Statement on its website.</p> <p>According to the statement, the site is partially compliant with the Web Content Accessibility Guidelines (WCAG) 2.1 AA standard, based on the most recent testing conducted by Suffolk One on 6 August 2020.</p> <p><b>Recommendation:</b> It is recommended that council reviews and updates its Website Accessibility Statement to ensure the site meets the latest WCAG 2.2 AA standard.</p> <p><i>(Website Accessibility Regulations 2018)</i></p>

<b>ASSETS</b>		
<b>20.</b>	Asset Register	<p>The Asset Register – Fixed Assets List as of 31 March 2025 reports a total asset value of £70,667, reflecting an increase from the 2023/2024 financial year.</p> <p>The Asset Register was reviewed and approved by the Council at its meeting on 6 March 2025. The updated asset list was subsequently submitted to the Council's insurers to ensure comprehensive coverage.</p> <p>The recorded asset value aligns with the figure reported in Section 2, Accounting Statements, of the Annual Governance and Accountability Return (AGAR) for 2024/2025.</p>
<b>21.</b>	Lease / Land / Licenses /	The Clerk confirmed that the Council does not hold any leases or licenses, nor does it own any assets situated on third-party land.

RISK CONTROL	
22.	<div data-bbox="450 225 701 252" data-label="Text"> <p>Risk Assessment</p> </div> <div data-bbox="866 225 2056 496" data-label="Text"> <p>The Risk Assessment was reviewed and adopted by Full Council at its meeting on 6 March 2025 and is updated on an annual basis.</p> <p>The review had been deferred from the meeting on 3 October 2024, pending further information regarding proposed changes to the Council's banking arrangements.</p> <p>The Risk Assessment addresses general risks that could impact the effective functioning of a smaller relevant body.</p> </div>
23.	<div data-bbox="450 536 687 563" data-label="Text"> <p>Insurance Policy</p> </div> <div data-bbox="866 536 2056 1145" data-label="Text"> <p>At the meeting held on the 3<sup>rd</sup> October 2024, the Council reviewed and approved its insurance cover.</p> <p>The Council holds an insurance policy with Ansvar Insurance, which includes the following levels of cover:</p> <ul style="list-style-type: none"> <li>• Public and Products Liability: £10 million</li> <li>• Employers' Liability: £10 million</li> <li>• Fidelity Guarantee: £25,000</li> </ul> <p><b>Recommendation:</b></p> <p>It is recommended that the Council review its level of Fidelity Guarantee insurance to ensure it provides adequate protection. As a best practice, cover should be at least equal to the year-end bank balance plus half of the annual precept. This recommendation is supported by guidance from the Joint Panel on Accountability and Governance (JPAG), which advises that councils hold sufficient Fidelity Guarantee insurance to safeguard public funds in the event of fraud or financial misconduct.</p> </div>
24.	<div data-bbox="450 1190 672 1217" data-label="Text"> <p>Internal Control</p> </div> <div data-bbox="853 1190 2085 1364" data-label="Text"> <p>In accordance with the Accounts and Audit Regulations 2015, the Council reviewed its Internal Control Procedures at the meeting held on 6 March 2025.</p> <p>This review, as recorded in the minutes, confirmed that appropriate measures are in place to ensure compliance and effective management of the Council's financial affairs.</p> </div>

YEAR END		
25.	Internal Report	The Internal Report for 2023/2024 was considered at a meeting held 13 <sup>th</sup> June 2024, at which the recommendations were considered.
26.	External Report	Council noted the conclusion of the external audit at a meeting held 3 <sup>rd</sup> October 2024. The External Audit Report detailed incorrect assertions on Section 1 – Annual Governance Statement. There was no action to be taken.
27.	Year End Reporting	<p>Year End accounts were provided to the internal auditor in a clear and detailed manner, reporting all closing receipt and payment transactions which are in accordance with the Bank Reconciliation and Bank Statements.</p> <p>The council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with an income and expenditure exceeding £25,000 but not exceeding £6.5 million for the year ending 31<sup>st</sup> March 2024 and published the following on the public website:</p> <p>Section 1 – Annual Governance Statement of the AGAR  Section 2 – Annual Accounting Statements of the AGAR  Section 3 – External Auditors Report and Certificate  Notice of the period for the exercise of public rights</p>

OTHER		
28.	ICO Registration	<p>The council is correctly registered with the ICO in accordance with legislation.</p> <p>Ref: Z6850701    Expiry: 21<sup>st</sup> August 2025</p> <p><i>(Data Protection Act 2018)</i></p>
29.	Code of Conduct	<p>The Parish Council Code of Conduct produced by the Local Government Association (LGA) as published on the website details the last review date as 5<sup>th</sup> May 2022.</p> <p><b>RECOMMENDATION:</b> Council should look to adopt or review its Code of Conduct at least once every four years (following elections), or when there are legislative changes or guidance updates.</p>
30.	Annual Meeting	<p>The Annual Meeting of the council was held on 9<sup>th</sup> May 2024.</p> <p>The first order of official business was the election of Chairman in accordance with the Local Government Act 1972 15(1) and as per the councils Standing Orders.</p> <p><i>The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)</i></p>
31.	Members Interests	<p>Evidence was seen on the District Authority website of the Register of Interests for current Parish Councillors.</p> <p><b>COMMENT:</b> Council should look to provide a direct link from the councillor information to the Babergh District Council website Register of Members Interests.</p>

32.	Email Accounts	<p>In accordance with the Practitioners Guide the importance of smaller authorities using secure e-mail systems and gov.uk addresses, it is recommended every authority has its own e-mail addresses which is owned by the authority rather than relying on the use of personal e-mail addresses that can change regularly. This reduces the risk of correspondence going astray or being delayed.</p> <p>The clerk to the council has a gov.uk email address directly linked to the Parish Council. Councillor email addresses are not detailed on the council website.</p>
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## DETAILS OF FINANCIAL EVIDENCE TAKEN

### Payments

Date	Cheque Number	Detail	Amount
09.05.24	101743	Mortimers	£72.00
11.07.24	101761	Babergh District Council	£910.80
05.12.24	101792	Allison Farmer Associates	£8,206.50
06.03.25	101807	Maritime FC	£2,500.00

### Receipts

Date	Detail	Amount
04.10.24	Deposit at Barclays	£1,000.00
14.10.24	Babergh District Council	£66.01
08.11.24	TJ Hamstead – Fireworks	£1,636.52
18.11.24	J Owen	£2,279.58
19.02.25	Deposit – Unpaid Cheque	£2,500.00

### Salary – pay slips

Date	Amount	Total Deductions
11.07.24	£736.77	£615.76 Salary £86.66 Backdated £25.00 Tax £69.35 Expenses
05.12.24	£693.04	£615.76 Salary £33.40 Tax £110.68 Expenses
06.02.25	£653.81	£615.76 Salary £33.40 Tax £71.45 Expenses



**VAT Reclaims Checked**

Minutes	Amount	Date Received in Bank
09 <sup>th</sup> May 2024	£1,832.99	17.04.24

**Year End Balances 31/03/2024**

Account	Amount
Community Account	£12,682.83
Business Saver Account	£9,983.67
PF Society Account	£6,708.66
<b>Total</b>	<b>29,375.16</b>
<b>Less Outstanding Payments</b>	£8.99
	£3,320.64
<b>Total</b>	<b>£26,045.50</b>

Signed: *J. Lawes*

Dated: 31<sup>st</sup> May 2025

Mrs Julie Lawes