

## Brandeston PC – Audit Report Actions

Identified Weakness	Resolution	Responsibility	Update
1. Standing orders are not up to date in reflecting Procurement Threshold amendments (SI 2022/139 – Public Contracts)	New Standing Orders to be written to reflect the 2022 update.	<b>AC</b>	
2. Revised model Financial Regulations require updating	New Financial Regulations to be written, tailoring them to the Council and reflecting recent changes from 2024.	<b>AC</b>	Completed 12.8.24 and sent to RS/PB. To be forwarded to Cllrs for approval at later meeting.
3. Lack of robust, formal approval of expenditure	A process of formal approval of all payments; both in meeting and retrospectively and minuted accordingly.	<b>AC</b> to amend Agenda/Minutes going forwards to reflect payment approval <b>RS</b> to implement in meeting and to notify Councillors of process	Implemented at 9.9.24 meeting
4. Formal approval and recording of internet banking transactions is not in place	Risk Assessment to be written and implemented. Evidence of dual authorisation and personnel responsibilities via Internal Controls Policy to be written and implemented.	<b>AC</b> <b>PB</b> to provide bank account access to AC	<b>AC</b> has access to account. RA to be written.
5. VAT is not identified in the cash book	Cash book expanded to include columns for recoverable VAT and ensure VAT is reclaimed within statutory timescales as operated by HMRC.	<b>RS/Parish Council</b> to consider VAT training for AC	

		<b>AC</b> to implement upon training	
6. PC has not confirmed if it is eligible to exercise the General Powers of Competence	Brandeston PC is not eligible to implement GPOC as the Clerk is not CiLCA qualified.		<b>NFA</b>
7. Lack of evidence of Risk Assessment documentation	The submitted risk assessment is associated to the functioning of the Village Hall and does not address the Parish Council and the mitigating of any risks in relation to financial or reputational consequences. Risk Assessment document to be written and implemented.	<b>AC</b> to write	
8. Appropriate and adequate insurance reviewed annually	Council should seek to provide evidence that it is able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things). Council must review levels of insurance for land, public and employees liability against quotations received and cover being proposed. Future agenda/minutes at point of renewal will reflect this.	<b>AC</b> to ensure agenda/minutes address levels of insurance being reviewed. <b>RS</b> to lead meeting discussion as Chair. <b>RS/PB</b> to share most recent policy with AC.	<b>AC</b> Notification of insurance due for renewal; to be discussed in 9.9.24 meeting.
9. Internal Controls not available on the PC website	The internal control statement as adopted should be uploaded to the website to enable council to actively demonstrate that the Council has undertaken such a review and is able to answer in the affirmative to Assertion 2 of the Annual Governance Statement. Once the statement is written and approved, this will be uploaded.	<b>AC</b> to write	
10. Review of the effectiveness of Internal Audit evidenced	Council must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system of internal control.	<b>AC</b> to ensure appropriately included on the agenda/minutes	Completed at 9.9.24 meeting
11. Budget properly approved and agreed to include	Council is advised to ensure transparency in the budgetary process by recording within the minutes the actual budget being set alongside the reasoning for such a budget.	<b>AC</b> to ensure appropriately included on the agenda/minutes	

reasoning – not minuted			
12. Precept amount not minuted	Precept amount set to be recorded in minutes. In accordance with best practice, council might wish to record in the minutes the precept being set and the impact that this would have on a Band D Dwelling in monetary as well as percentage terms.	<b>AC</b> to ensure appropriately included on the agenda/minutes	
13. Regular reporting of expenditure and variances from budget	Implementation of formal submission of reports showing aggregate receipts and payments and variance against budget.	<b>AC</b> to implement <b>RS</b> to share at meeting as Chair <b>PB</b> to share all financial reporting/cash book documents from 2024/2025.	
14. Reserves held not subjected to Proper Practices	Guidance as issued by Proper Practices states that it is regarded as acceptable for a council's general (non earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure. There is no upper limit for earmarked reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).	<b>RS/PB</b> to inform AC of reasoning behind reserves <b>AC</b> to include at least annual review of reserves.	
15. CIL running total and expiry dates not logged	The RFO might wish to consider maintaining a comprehensive spreadsheet detailing running totals along with expiry date of money received.	<b>AC</b> to implement	
16. Unspent CIL does not form part of earmarked reserves	Council's earmarked reserves for the year does not include the restricted sums of CIL monies received. Retained balances should be transferred into an Earmarked Reserves specifically allocated in accordance with the regulations.	<b>PB/RS</b> to confirm if CIL monies are listed separately in the cashbook/reconciliation <b>AC</b> to record appropriately.	
17. Annual CIL Statement not produced	The Annual CIL Statement has to be presented to and approved by full Council.	<b>PB/RS</b> to confirm if this has been returned to ESC <b>AC</b> to complete and return once approved if not done so.	Completed and forwarded to ESC.

18. Annual CIL not published on website	The approved statement must be uploaded onto the website.	<b>AC</b> to upload once confirmation around completion/approval received from PB/RS.	Completed
19. Adequate control system not in place for petty cash	Council has still to act upon the previous recommendation. A cash handling policy to include clear lines of responsibility must be adopted.	<b>RS/PB</b> to advise AC on what '100 Club' entails <b>AC</b> to write cash handling policy.	
20. Employee does not hold contract of employment	Draft contract sent to RS to be amended/approved.	<b>RS &amp; PB</b>	
21. Council has not approved salary paid	Reference in the minutes to approve salary payments for the Clerk/RFO.	<b>AC</b> to include in agenda/minutes – suggestion of 6 months of salary payments approved in single motion subject to employment <b>RS</b> to raise at PC meeting	Approved at 9.9.24 meeting
22. Arrangements for authorising payroll and payments to the council are not clear	AC to forward payroll and invoicing to 2 authorised signatories.	<b>PB/RS</b> to implement 2 phase signatory process and advise <b>AC</b> . <b>AC</b> to forward invoices and ensure process is documented in SO/Fin Regs	Payroll forwarding implemented. <b>PB</b> to advise dual approval
23. PAYE/NIC – payroll function costs incorrectly recorded	Amendments will need to be made to the draft accounting statements as the payroll function costs have been included within Box 4 of the Accounting Statements.	<b>PB</b>	
24. Unclear if Council are aware of pension requirements	TBC	<b>AC</b> to seek further advise from SALC	

25. Pension re-declaration duties have not been carried out	<p>“No evidence was seen of the declaration (or redeclaration) of compliance with the Pensions Regulator. Comment: council should be aware that every employer must put certain staff into a workplace pension scheme. This is known as automatic enrolment. This is an employer’s legal duty, and councils must let the Pension Regulator know when they have completed the task by completing and submitting a declaration of compliance. For further guidance:  <a href="https://www.thepensionsregulator.gov.uk/en/employers">https://www.thepensionsregulator.gov.uk/en/employers</a>”</p>	<b>AC</b> to seek further advice from SALC; Clerk’s salary does not meet the legal obligation for pension.																															
26. Register of material assets not updated and does not align with Box 9 of the Accounting Statements	The register is showing an adopted date as 5th May 2021 and covers the year 2022-2023. Council should ensure that the asset register is annually reviewed with a review date to demonstrate that there is an accurate record of the council’s assets. Asset register to be updated and audit submission discussed with PB.	<b>AC</b> to revise/update AR <b>PB</b> to inform AC on background to discrepancy.																															
27. AGAR documents require amending	<p>The corrected AGAR must be presented to council and the following figures utilised:  Exemption Certificate: total income: £10,035; total expenditure: £9,180  Accounting Statements: those highlighted require amending and Boxes 11a and 11b require completion.</p> <table border="1" data-bbox="589 959 1429 1257"> <tr><td><b>Box 1</b></td><td><b>5589</b></td><td><b>9501</b></td></tr> <tr><td><b>Box 2</b></td><td><b>6390</b></td><td><b>7715</b></td></tr> <tr><td><b>Box 3</b></td><td><b>905</b></td><td><b>2320</b></td></tr> <tr><td><b>Box 4</b></td><td><b>1198</b></td><td><b>2684</b></td></tr> <tr><td><b>Box 5</b></td><td><b>0</b></td><td><b>0</b></td></tr> <tr><td><b>Box 6</b></td><td><b>2185</b></td><td><b>6496</b></td></tr> <tr><td><b>Box 7</b></td><td><b>9501</b></td><td><b>10356</b></td></tr> <tr><td><b>Box 8</b></td><td><b>9501</b></td><td><b>10356</b></td></tr> <tr><td><b>Box 9</b></td><td><b>24227</b></td><td><b>24227</b></td></tr> <tr><td><b>Box 10</b></td><td><b>0</b></td><td><b>0</b></td></tr> </table>	<b>Box 1</b>	<b>5589</b>	<b>9501</b>	<b>Box 2</b>	<b>6390</b>	<b>7715</b>	<b>Box 3</b>	<b>905</b>	<b>2320</b>	<b>Box 4</b>	<b>1198</b>	<b>2684</b>	<b>Box 5</b>	<b>0</b>	<b>0</b>	<b>Box 6</b>	<b>2185</b>	<b>6496</b>	<b>Box 7</b>	<b>9501</b>	<b>10356</b>	<b>Box 8</b>	<b>9501</b>	<b>10356</b>	<b>Box 9</b>	<b>24227</b>	<b>24227</b>	<b>Box 10</b>	<b>0</b>	<b>0</b>	<b>PB</b>	
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28. Lack of evidence of the legal decision	Council should ensure that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.	<b>AC</b> to seek advice from SALC																															

taken to claim exemption			
29. Exercise of Public Right as required by the Accounts and Audit Regulations 2015 not complied with	<p>“Council has not demonstrated that during the year under review, it ensured that the period for the exercise of elector’s rights during Summer 2023 was in accordance with the period specified within the Accounts and Audit Regulations 2015. There is no evidence of the dates set on the website nor amongst the documents submitted for internal audit. Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required “Public Notice” by ensuring that it clearly identified the statutory 30 working day period when the Authority’s records are available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act. Council should ensure that this outstanding audit point is addressed during the Summer of 2024.”</p>	<b>RS/PB</b> to advise if EoPR was approved at point of AGAR approval.	EoPR implemented at earliest opportunity
30. Publication requirements have not been met in accordance with the Regulations	<p>“The Council has not complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 for the year ending 31st March 2023 as none of the following could be found on the website:</p> <ul style="list-style-type: none"> <li>Certificate of Exemption</li> <li>Annual Internal Audit Report</li> <li>Section 1 – Annual Governance Statement of the AGAR</li> <li>Section 2 – Annual Accounting Statements of the AGAR</li> <li>Notice of the period for the exercise of public rights</li> <li>Analysis of variances</li> <li>Bank reconciliation – year-end</li> </ul>	<b>PB</b> to forward documents over to Darryl for uploading.	Documents now available on the website

	Recommendation: council is advised to address this outstanding audit point.”		
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