

Mr S Watson
Clerk to Briercliffe with Extwistle Parish Council
842 Padiham Road
Burnley
Lancashire
BB12 6NN

8th June 2023

Dear Mr Watson,

**To the Chairman and Members of Briercliffe with Extwistle Parish Council,
Internal Audit of Accounts for the Financial Year ending 31st March 2023.**

I have concluded the annual audit of the Council's financial accounts. The accounts have been well maintained and appropriate controls supporting the governance framework have been in place.

There were no significant issues arising. The results of my audit are detailed below.

Annual Return

I have carried out the final audit of the Council's financial accounts for the year 2022-23 and I am pleased to inform you that I have signed the internal audit section of the Annual Return for Local Councils as required.

Bookkeeping

The Council's cash book and bank accounts were checked. A standard audit would usually check approximately ten per cent of the financial transactions, this audit has checked all recorded transactions for the period 1st April 2022 to 31st March 2023. All cash book entries were agreed to bank statements and the year-end bank reconciliation was agreed.

The VAT reclaim from previous years is up to date and the claim for year end 2021/22 had been submitted. The claim for 2022-23 is due for submission. One item in the cash book from the previous year, an invoice to G S Atkinson included an amount of £229.30 which had been duplicated, this amount has been duly recovered from the supplier. All petty cash payments were agreed.

There were four missing invoices and whilst the expenditure can be accounted for, it is imperative that all payments have supporting documentation and all items are minuted. The monthly payment to Pressnet Zoom of £14.39 should be reviewed if virtual meetings are not to take place.

The accounts for the Annual Return were compiled on the basis of receipts and payments which is consistent with the previous year.

Standing Orders, Financial Regulations and Payment Controls

Standing Orders and Financial Regulations should be reviewed annually by the council to ensure that they are up to date and being followed by the Council and these actions should then be minuted. The Standing Orders and Financial Regulations were last reviewed in September 2021 and therefore should be reviewed again at the next available opportunity. Council minutes have been reviewed and with the exception of the January 2023 minutes, all have been signed. There is no prescribed format for minutes, the style and amount of detail will vary between Clerks. The main purpose of the minutes is to record the resolutions made at the meeting. Minutes of a meeting should not be a verbatim record, nor are they a story of what happened at the meeting. The unsigned minutes should be agreed and signed at the next meeting.

All expenditure has been appropriately authorised. Most payments have been agreed to supporting invoices or documentation.

Risk Management Arrangements

The Council's Risk Assessment had been reviewed by the members in September 2021 and should be reviewed again at the next meeting. All expected insurance policies are in place and values for the public liability, employer's liability and fidelity guarantee are consistent with the risks covered.

Budgetary Controls and Financial Health

The annual precept request was underpinned by an annual budget. For good financial health it is normally recommended that a balance at year end represents about 26 weeks of payments. The current year-end balance of approximately £24,000 demonstrates good financial health and contributes towards maintaining an effective financial and governance framework. The Council should include the level of reserves in the annual budgeting process. The amount of general reserve should be annually risk assessed and approved by the Council.

Income Controls

Income has been agreed to supporting documentation, sources are consistent with the previous year and variances have been adequately explained.

Payroll Controls

Salary payments to the Clerk were reviewed and are consistent with the previous year with an increase in line with the national pay rise.

Asset Controls

All material assets owned by the Council are maintained in an asset register. I cross-checked items in the asset register with items covered by insurance and identified several differences between the two lists. The register indicates Badge of Office and Chair's Chain, current value of £1849.00, however, the insurance policy shows regalia is not covered. This was discussed with the Clerk and is to be added to the insurance

schedule as soon as possible. These lists should be reviewed urgently to ensure all owned assets appear in the asset register and are appropriately insured.

General

I would like to thank your Clerk for his help and assistance in the conduct of the audit and I look forward to my next visit.

Yours sincerely,

Jennifer Sutcliffe

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