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4th June 2024

Councillor Mrs S Cade
Chairman Sturminster Marshall Parish Council
c/o 28 Landers Reach
Lytchett Matravers
Dorset BH16 6NB

Dear Councillor Cade

Internal Audit of Accounts 2023/24 Report

I have completed the internal audit of the accounts for the year ending 31st March 2024 as well as completing the close down for the year, the financial information required for supporting the Accounting Statements along with the Internal Auditors report section of the Annual Report.

Turning to the audit of the accounts the Clerk has provided all the information required to carry out the audit and I would comment as follows on the areas reviewed:

- Council Minutes have been reviewed to ensure that matters affecting the financial affairs of the Council have where appropriate been implemented or carried forward into 2024/25. The minutes are clear and provide an audit trail.
- Salaries – reviewed that the correct monthly salary and any changes throughout the year have been applied based on the approved spinal point/hourly rate and that the appropriate payments have been made to HMRC for Tax and National Insurance contributions and Dorset Council for Pensions.
- Vat – is claimed quarterly and the returns were submitted by the appropriate dates with all Vat due having been reclaimed.
- The accounting records are appropriate and there were invoices in support of the payments made and recorded on the monthly payment schedules reported to the Council. The cash book records all the transactions made in the year and monthly bank reconciliation have been carried out and reported to Council.
- Transparency Code for Smaller Authorities 2015 –the Parish Council complies with the code and in 2023/24 income was approaching £70,000 and expenditure just under £60,000. The Parish Council publish their key spending and governance information on the website.
- Preparing and Approving the Budget – The budget sheets are clear and show the level of expenditure against each budget head with an explanation in the comments column against items where there is change from the previous year's estimate. The introduction of the new accounting software package gives the opportunity to review the current budget headings to make reporting

clearer and assist in the closing down process. There are quite a few designated reserves some which could be considered for amalgamation. There will always be the need at budget time to review the level and annual contribution to each of the reserves to ensure they are required and meet the needs of the parish. I am satisfied that the estimates for 2024/25 reflect the requirements of the Parish.

- Monitoring the Budget –Quarterly monitoring of the approved budget is reported to Council with detailed explanations provided of any variances along with forecasts of potential spending in the next quarter. These statements are important as they give Members a clear picture of how the Parish Council is progressing against the approved plan and budget throughout the year. It was interesting to note that in the last quarterly report that the majority of the projects for 2023/24 had been achieved. Hopefully during the current year, the legal agreement between the Council and the football club will be completed.
- At the end of the financial year the balances have increased by £9,000 to just under £90,000 of which £35,750 are the free reserves with around £54,000 in designated reserves which will need reviewing as part of the budgetary process for 2025/26. The reserves are healthy and place the Council in a strong position for the future.
- Financial Regulations – these have now been reviewed and updated in line with NALC's model form.
- Change of Bank – it was noted from the minutes that the Council has agreed to a change of bank, and this will take place during this financial year.
- Annual Return – the Council has to approve Section 1 and Section 2 of the Annual Report and there should be a separate item on the Council Agenda to deal with this matter. Section 1 has to be approved by Council before Section 2. Council at the same meeting should also approve the outturn figures for 2023/24 (copy attached) and consider the Internal Auditor's report.

The Council should be very pleased in the standard of financial management and governance of the Council. The Council's financial base is sound, and can look to the future with confidence .

Finally thank you to the Clerk for all her help and assistance during the audit.

Yours sincerely

Alan Breakwell

Copy to Alison Clothier– Sturminster Marshall Parish Clerk