

reconciliation and for Council to consider adopting a Statement of Internal Control outlining the processes the Council follows.

The Council uses their own comprehensive excel spreadsheet for recording income and expenditure on a Receipts and Payments basis. VAT reclaims are claimed annually and are up-to-date. Payroll is outsourced to accountancy firm, T.P. Jones & Co LLP. The Clerk informs me the Council are registered with the Pensions Regulator but re-enrolment may now be due. Therefore, I would advise making contact with the Pensions Regulator and perhaps asking the Council's payroll provider for further information on re-enrolment and any action that may now be due.

South Croxton Parish Council does not hold General Power of Competence and there were no Section 137 payments made during the 2022/2023 financial year. The Council does not hold a petty cash account.

As discussed with the Clerk/RFO, it is good practice to record the Legal Power of Expenditure against each transaction within the accounts, the minute reference of the approved expenditure and the minute reference of the approved payment. This will also help when conducting transaction spot checks during future audits.

South Croxton Parish Council has public and employer's liability insurance arranged through Zurich until 31st May 2023 on a multi-year agreement following a review and the current year's insurance certificate is published to the Council's website. I believe the level of cover would be sufficient for the Council's needs.

Agendas and minutes of Parish Council meetings are available to view on the Council's website. Minutes are published within the required 28-day period and are marked as draft until being confirmed and signed by the Chairman at the following meeting and agendas published should include both the Clerk's signature and a publication date. A thorough bank reconciliation, including payments and bank balances are also routinely minuted at every meeting. With regards to the Exercise of Public Rights, it is good practice to minute the dates upon approval at a Parish Council meeting.

As of 31/03/23, South Croxton Parish Council carried forward high reserves of £25682 of which £13500 is earmarked for a new pathway and apparatus at the playing field which is owned by the Council. The remaining balance calculates to approximately 10 months running costs and is within the normal range of 3 -12 months reserves based on the Council's expenditure over the 2022/2023 financial year. However, I would suggest monitoring the level of both general and earmarked reserves in accordance with the proper practices laid out in the Joint Panel on Accountability and Governance Practitioners' Guide 2022, paragraphs 5.30 to 5.38 inclusive, as follows:

*Reserves:*

*5.30. As with any financial entity, it is essential that authorities have sufficient reserves (general and earmarked) to finance both their day-to-day operations and future plans.*

*5.31. Smaller authorities have no specific right to accumulate funds via the precept. All reserves should be reviewed and justified regularly (i.e. at least annually). It is good practice to transparently publish both the level and rationale of all reserves.*

*General reserves:*

*5.32. The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.*

*5.33. The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.*

*5.34. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In*