

# ROOKSDOWN PARISH COUNCIL

## NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN (EXEMPT AUTHORITY)

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

Local Audit and Accountability Act 2014 Sections 25, 26 and 27  
The Accounts and Audit Regulations 2015 (SI 2015/234)  
The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)

### NOTICE

1. Date of announcement – 31<sup>st</sup> May 2022

2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review.

Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it relates and all books, deeds, contracts, bills, vouchers, receipts, and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2021, these documents will be available on reasonable notice by application to:

Tracy Hamer, Clerk & RFO  
Email: [parish.clerk@rooksdowndown.gov.uk](mailto:parish.clerk@rooksdowndown.gov.uk)  
Tel: 07778 546477

Commencing on **Monday 13 June 2022** and ending on **Friday 22 July 2022**

3. Local government electors and their representatives also have:

- The opportunity to question the appointed auditor about the accounting records; and
- The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

4. The smaller authority's AGAR is only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:

PKF Littlejohn LLP (Ref: SBA Team)  
15 Westferry Circus  
Canary Wharf  
London E14 4HD  
([sba@pkf-littlejohn.com](mailto:sba@pkf-littlejohn.com))

5. This announcement is made by Tracy Hamer, Clerk & RFO



## **Rooksdown Parish Council – Annual Governance and Accountability Return 2021/22**

This accompanying note explains the following:

- Restated AGAR figures for Boxes 6 and 9
- Actions referring to Box 5 of the Annual Governance Statement 2021/22

### **Restated AGAR figures for Boxes 6 and 9**

Box 6 – The 2021 figure of £27,487 has been adjusted to £27,486 following a rounding error of £1

Box 9 – The 2021 figure of £23,147 has been adjusted to £24,483.

The difference of £1,336 can be explained as follows:

An error in a previous asset register (2019) spreadsheet formula which omitted a figure of £300. This was then included to the 2020 figure, plus the addition of the defib cabinet at a cost of £1,500, which had not been included in the 2020 asset register. For 2021, the increase includes the addition of a bus shelter worth £6,520, land worth £1, fencing worth £1, less street furniture disposal worth £735.

This is also explained in Section H of the Internal Audit (page 8).

The Asset Register has been updated and approved to reflect the above at Full Council – 23<sup>rd</sup> May 2022, item 22/103 and be viewed at [Financial Reports – Rooksdown Parish Council](#)

### **Actions referring to Box 5 of the Annual Governance Statement 2021/22**

During the Internal Audit, it was noted that the Risk Register for Rooksdown Parish Council had not been reviewed during Year Ending March 2022. Whilst the parish council has adequate insurance and a scheme in place, the register was not reviewed as there was not a Clerk in role from May 2021 to March 2022.

To mitigate this, the Risk Register was updated and reviewed at Full Council on 23<sup>rd</sup> May 2022, item 22/103 and can be viewed at [Financial Reports – Rooksdown Parish Council](#)

# Annual Internal Audit Report 2021/22

## Rooksdawn Parish Council

www.rooksdawn.org.uk

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓ none
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓ NA
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b>			
Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

11/05/2022

Name of person who carried out the internal audit

MARK MULBERRY BA(Hons) I-CCA CIA

Signature of person who carried out the internal audit

*[Signature]*

Date 11/05/2022.

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



## Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

### Rooksdown Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		✓	considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

23/05/2022

and recorded as minute reference:

22/97

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

*Paul Mahoney*

Clerk

*[Signature]*

[www.rooksdwn.org.uk](http://www.rooksdwn.org.uk)



## Section 2 – Accounting Statements 2021/22 for

### Rooksdawn Parish Council

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
1. Balances brought forward	85,558	107,688	<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i> <i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	33,943	36,184	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	29,421	8,377	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	13,748	3,770	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	27,486	17,621	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	107,688	130,858	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	107,688	130,858	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	24,483	24,483	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A
			✓
			<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i> <i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date



11/05/2022

I confirm that these Accounting Statements were approved by this authority on this date:

23/05/2022

as recorded in minute reference:

22/98

Signed by Chairman of the meeting where the Accounting Statements were approved



## Explanation of variances – pro forma

Name of smaller authority:

Rooksdown Parish Council

County area (local councils and parish meetings only):

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2020/21 £	2021/22 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	85,558	107,688				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	33,943	36,184	2,241	6.60%	NO		
3 Total Other Receipts	29,421	8,377	-21,044	71.53%	YES		2021 £20,121 = VAT £10, Bank Interest £21, Allotment Rent £1,194, Grants £24,215. 2022 £8,377 = VAT £2113, Bank Interest £10, Grants £3,143, Allotment Rent £1,194,
4 Staff Costs	13,748	3,770	-9,978	72.58%	YES		No staff in place from May 2021 until March 2022 so no regular salary payments. Staff costs are supported by P60's.
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	27,486	17,620	-9,866	35.89%	YES		2021 - Purchase of bus shelter at a cost of £6,520
7 Balances Carried Forward	107,688	130,858				VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES	Please see list of forecast reserves on reserves tab below. Many projects have been delayed due to Covid including the major project which will be the refurbishment of the main hall.
8 Total Cash and Short Term Investments	107,688	130,585				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	24,483	24,483	0	0.00%	NO		
10 Total Borrowings	0		0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

**Bank Reconciliation Statement as at 31/03/2022  
for Cashbook 1 - Treasurers Account 02896349**

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Treasurers Account 02896349	31/03/2022		27,836.96
			<u>27,836.96</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
		0.00	
			<u>0.00</u>
			27,836.96
<u>Receipts not Banked/Cleared (Plus)</u>			
		0.00	
			<u>0.00</u>
			27,836.96
		<b>Balance per Cash Book is :-</b>	<b>27,836.96</b>
		<b>Difference is :-</b>	<b>0.00</b>

Date: 04/04/2022

Rooksdown Parish Council

Page 1

Time: 16:42

**Bank Reconciliation Statement as at 31/03/2022  
for Cashbook 2 - Business Account 06020499**

User: TRACY

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Business Account 06020499	31/03/2022		103,021.14
			<u>103,021.14</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
		0.00	
			<u>0.00</u>
			103,021.14
<u>Receipts not Banked/Cleared (Plus)</u>			
		0.00	
			<u>0.00</u>
			103,021.14
		<b>Balance per Cash Book is :-</b>	<b>103,021.14</b>
		<b>Difference is :-</b>	<b>0.00</b>





## MULBERRY & CO

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Registered Auditors  
& Chartered Tax Advisors

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Our Ref: MARK/ROO001

Mrs T Hamer  
Rooksdown Parish Council  
Rooksdown Community Centre  
Basingstoke  
Hampshire  
RG24 9XA

11<sup>th</sup> May 2022

Dear Tracy

**Re: Rooksdown Parish Council**  
**Internal Audit Year Ended 31<sup>st</sup> March 2022**

### Executive Summary

Following completion of our audit on the 11<sup>th</sup> May we enclose our report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. Where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified, followed by recommended minimum testing requirements. Each section is then concluded with an opinion as to whether the assertion has been met or not.

### Audit Summary

We understand the council has been without a clerk for much of the year and that the Chair has undertaken many of the tasks whilst a replacement was employed. I am keen to point out that the majority of the governance and certainly the payment approval mechanisms have been robustly followed and adhered to and I think this should be formally noted.

However, our sample testing did highlight an error with risk management that requires reporting to the external auditor; however, we did not identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures seriously and I am pleased to report that overall, the systems and procedures you have in place are fit for purpose.

We have reviewed the AGAR and underling documentation and we are of the opinion the AGAR is ready for approval by council and submission to the external auditor.

## **Regulation**

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily.

The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority’s approval of the annual governance statement.

## **Independence & Competence**

Your audit was conducted by Mark Mulberry of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor is a qualified practicing accountant with over 20 years’ experience as a registered statutory auditor.

## **Engagement Letter**

An engagement letter was issued In September 2021 covering the 2021/22 internal audit assignment. Copies of this document are available on request.

## **Planning & Inherent Risk Assessment**

The scope and plan of works including fee structure was issued to the council on the 1st September 2021 under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

- There have been no instances of breaches of regulations in the past
- The client uses an industry approved financial reporting package
- The client regularly carries out reconciliations and documents these
- There is regular reporting to council
- The management team are experienced and informed
- Records are neatly maintained and referenced
- The client is aware of current regulations and practices

It is my opinion that the inherent risk of error or misstatement is low and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be “walk through testing” on sample data to encompass the period of the council year under review.

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**A. BOOKS OF ACCOUNT****Internal audit requirement**

*Appropriate accounting records have been properly kept throughout the financial year.*

The council uses RBS Alpha for recording the day to day transactions of that of the council. This is a tried and tested local authority accounting package. On average there are approximately a dozen transactions per month and the package is populated on a regular basis. The clerk produces in hard and soft copy a bi-monthly bank reconciliation, a payment list and authorisation list together with bi-monthly budget monitoring.

My audit testing showed that supporting documentation could be easily located from records. I make no recommendation to change in this system.

I tested opening balances as at 1/4/21 and confirmed they could be agreed back to the audited accounts for 2020/21.

The Council is not VAT registered and £2,113 VAT was received in year. The amounts shown on the return could be agreed to the underlying accounts.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change.

**Section Conclusion**

I am of the opinion that the control assertion has been met.

**B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS****Internal audit requirement**

*This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

*Check the publication & minuting of the prior year audited AGAR and notice of conclusion of audit.*

The AGAR was taken to council and minuted in September 2021 and the website was populated with the correct information.

*Confirm by sample testing that councillors sign statutory office forms*

I confirmed by sample testing that Councillors sign "Acceptance of Office" forms, register of members interests and notification to receive information by electronic means, all in line with regulations.

*Confirm that the Council is compliant with the GDPR.*

The council is aware of GDPR and the website has an accessibility and privacy statement. The council has common contact council emails.

*Confirm that the Council meets regularly throughout the year*

The council has the following committees:

- Full Council; meets circa monthly
- Planning Committee

*Check that agendas for meetings are published giving 3 clear days' notice.*

The agendas on the web site show that at least 3 clear days' notice is given of the meeting.

*Check the draft minutes of the last meeting(s) are on the council's website*

Minutes are uploaded to the council website.

*Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months.*

The standing orders are based on the NALC model and were reviewed in May 2021.

*Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.*

Financial regulations are based on the NALC model and are dated May 2020. The regulations being based on the NALC model contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council. These were reviewed and re adopted by council in May 2021 full council meeting.

*Check that the council's Financial Regulations are being routinely followed.*

The de-minimis limit recorded in the Financial Regulations for the competitive purchase of items and services is as listed below.

- £25,000 + Tender Process
- £3,000 - £25,000 3 quotations are required.
- £500 - £3,000 – strive to get 3 estimates
- 0 - £500 – power to spend

Financial regulation 2.2 deals with bank reconciliations – the clerk was able to demonstrate via the signed minutes this regulation is being followed.

Financial regulation para 3, deals with budgeting – the clerk was able to demonstrate the budget setting process was undertaken in accordance with the regulations.

Financial regulation 4.1 deals with payment authorisation. I discussed the purchasing system with the clerk vis-à-vis financial regulations and ascertained that the regulations are being followed at a local level as described below:

1. Regular and recurring expenditure (rent, rates, wages, light & heat, contractual spend etc.) is known and authorised in advance (budget setting or tender process).
2. An ad hoc expenditure requirement is identified and noted to the clerk – this can be from a number of sources and depending on the financial amount will be discussed in advance with council, committee or chair. This will be noted in the minutes. My audit testing showed via the minutes that there is where appropriate discussion of expenditure before the orders are placed.
3. The order is made by the clerk – councillors are not allowed or permitted to place amend or vary orders.
4. The supplier invoice, when received, is reviewed and then batched ready for the next meeting.
5. Bacs payments are set up on the date of the meeting and this is checked at the meeting against the physical invoices. A councillor is charged with authorising the release of the payment on the on-line banking system. The bank system is set such that the originator of a transaction cannot authorise the same transaction. My audit testing showed that supplier invoices are all annotated.
6. Entries made to accounts package at month end.

*Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £8.41 (2021: £8.32) per elector.*

The council has made grants of circa £1000

*Confirm that checks of the accounts are made by a councillor.*

The system noted above details internal review takes place and councillor, committee and council level. I am under no doubt that council properly approves expenditure.

I have reviewed the expenditure list and I also reviewed the cashbook for evidence of netting off and significant journal entries, the individual entries were in accordance with the heading under which they were posted and corrections/transfers where evident were bonafide. We found no evidence of breaches of financial regulations in the sample testing completed.

#### **Section Conclusion**

I am of the opinion that the control assertion has been met.

### **C. RISK MANAGEMENT & INSURANCE**

#### **Internal audit requirement**

*This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*

The council has a detailed risk assessment document which was reviewed in May 2020. The document is comprehensive and covers financial and management risks. There is evidence of council review covid risks in May 2021; however, there is no evidence to suggest council reviewed the its risk management arrangements. I remind council that per financial regulation 17.1 the risk management arrangements should be reviewed at least annually.

I have confirmed that the Council has a valid insurance certificate. The Council reviews its insurance requirements as part of the renewal process. Asset & money cover appears adequate

#### **Section Conclusion**

*I am of the opinion that the control assertion has NOT been met.*

### **D. BUDGET, PRECEPT & RESERVES**

#### **Internal audit requirement**

*The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*

The council has £130,858 of total reserves of which earmarked reserves are £58,899 and £71,959 are general reserves. In respect of general reserves, rule of thumb calculations would suggest that 50% of precept as adjusted for local conditions would be reasonable being circa £18k.

**The councils' general reserves are very high, I would recommend council reviews its reserves in the light of future project delivery. These will need explaining to the external auditor because it is more than twice the precept.**

I can confirm the full council approved the 2022/23 budget and precept requirement in its December 2021 meeting.

#### **Section Conclusion**

I am of the opinion that the control assertion has been met.



**E. INCOME****Internal audit requirement**

*Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

The precept income was tested to third party evidence supplied to the auditor and has been correctly disclosed in box two of the AGAR.

All other income has been correctly shown in box 3 of the AGAR and consists of a VAT refund, allotments income, training and grant income. There was one entry of a grant payment that had been mis posted to grant income – this has been corrected.

The year-on-year movement of £21,044 is due in the main to £24,215 of CIL receipts received in 2021 not replicated in 2022.

I have reviewed the income list which is broadly similar to the prior year after accounting for one of income items. I also reviewed the cashbook for evidence of netting off and significant journal entries, the individual entries were in accordance with the heading under which they were posted and corrections/transfers where evident were bonafide. We found no evidence of breaches of financial regulations in the sample testing completed.

I was able to prove the amounts charged in the financial records to the charges listed on the council website. **I remind council per financial regulation 9.3 it is to review its charges on an annual basis.**

There is no evidence to suggest the council should be registered for VAT. However, if the council continues to provide training services, this may trigger a requirement to register for VAT.

**Section Conclusion**

I am of the opinion that the control assertion has been met.

**F. PETTY CASH****Internal audit requirement**

*Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.*

No petty cash

**G. PAYROLL****Internal audit requirement**

*Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.*

The council uses an external firm to calculate the tax and national insurance. Employees are paid with reference to NJC scales for consistency purposes. I tested the tax deduction for a full-time employee – there were no errors.

The amounts shown on the AGAR, were reconcilable to the payroll records, there were no errors.

Monthly and year-end PAYE and NI deductions and returns have been submitted online, on time to HMRC. The March PAYE and Ni was paid before the year end.

All Council employees are paid through the payroll for all Council work undertaken. No employees are paid separately for any other Council work undertaken. Councillors are not paid allowances.

#### Section Conclusion

I am of the opinion that the control assertion has been met.

### H. ASSETS AND INVESTMENTS

#### Internal audit requirement

*Asset and investments registers were complete and accurate and properly maintained.*

The fixed asset register lists the assets, their cost or proxy cost together with insurance values. Assets are correctly stated at historic cost. There was some confusion resulting from an assumption in 2020 that the value of the register was £17,360; however this did not agree to the movements from prior years in addition the 2019 year did not full add up.

AGAR Balances				
	2019	2020	2021	2022
<b>Before</b>	£16,896	£17,360	£23,147	n/a
<b>After</b>	£17,196	£18,696	£24,483	£24,483
<b>Notes</b>	Asset register did not add up - sum of £300 not in total.	Addition of defib at £1,500.  No evidence to support AGAR value of £17,360 or movement from prior year AGAR	addition of bus shelter £6,520, land £1 and fencing £1 – less street furniture of £735.  The balance of £23,147 is the result of the correct movement from the assumption of £17,360 in the prior year.	No additions or disposals

#### Section Conclusion

I am of the opinion that the control assertion has been met.

### I. BANK & CASH

#### Internal audit requirement

*Periodic and year-end bank account reconciliations were properly carried out.*

At the year-end date the council had a reconciled bank position which has been signed in accordance with financial regulations. I have verified the March reconciliation and am under no doubt regulations are properly followed in respect of reconciling the bank.

I have reviewed the reconciliation there were no outstanding payments and no outstanding lodgements.

The council has two bank accounts, with total holdings of £130,858. None of the accounts are long term investment accounts and as such do not need to be disclosed in box 9 of the AGAR.

### Section Conclusion

I am of the opinion that the control assertion has been met.

## J. YEAR END ACCOUNTS

### Internal audit requirement

*Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.*

The council, at its meeting to sign off the year-end accounts, must discuss the Annual Governance Statement and record this activity in the minutes of the meeting. Based on the internal audit finding, I recommend using the table below as the basis for that discussion. THIS MUST BE A SEPARATE AGENDA ITEM TO THE SIGNING OF THE ANNUAL ACCOUNTS.

### Section 1 – Annual Governance Statement

	Annual Governance Statement	'Yes' means that this authority	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	<b>YES</b> – receipts and payments accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	<b>YES</b> – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	<b>YES</b> – the Clerk is experienced and advises the council in respect of its legal powers.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	<b>YES</b> – the requirements and timescales for 2020/21 year-end were followed.
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	<b>NO</b> – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the	<i>arranged for a competent person, independent of the financial controls</i>	<b>YES</b> – the council has appointed an independent



	accounting records and control systems.	<i>and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	and competent internal auditor has completed two audits during the year.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	<b>YES</b> – where matters are raised, action taken by council is recorded in the minutes.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	<b>YES</b> – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>N/A</b> – the council has no trusts

## Section 2 – Accounting Statements

Agar Box Number		2020/21 Restated	2021/22	Auditor Notes
1	Balances brought forward	85,588	107,688	Agrees to cfwd
2	Precept or Rates and Levies	33,943	36,184	Agrees to third party evidence provided to auditor
3	Total other receipts	29,421	7,595 + 782 = 8,377	Agrees to underlying records – move grant payment to box 6
4	Staff costs	13,748	3,770	Agrees to underlying records
5	Loan interest/capital repayments	0	0	No loans
6	All other Payments	27,486	16,838 + 782 = 17,620	Agrees to underlying records – prior year amended for £1 rounding
7	Balances carried forward	107,688	130,858	Casts correctly agrees to balance sheet
8	Total value of cash and short term investments	107,688	130,858	Agrees to reconciliation
9	Total fixed assets plus long term investments and assets	<del>23,147</del> £24,483	<del>23,147</del> £24,483	Agrees to register and additions – prior year restated to errors on FAR.
10	Total borrowings	0	0	Agreed no loans
11	For Local Councils Only) Disclosure note re Trust funds (including charitable)	YES	NO	N/A
				✓

The year-end accounts have been correctly prepared on the receipts and payments basis with no requirement for a box 7 & 8 reconciliation.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the prior year. However, there was a £1 rounding error not identified last year that must be corrected.

The variance analysis is required because there are variances greater than 15% and £500. This has been correctly prepared on a tabular basis with narrative.

#### Section Conclusion

I am of the opinion that the control assertion has been met.

### K. LIMITED ASSURANCE REVIEW

#### Internal audit requirement

*If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")*

The council did not itself exempt in 2020/21 or 2021/22.

### L: TRANSPARENCY

#### Internal audit requirement

*The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements.*

The council is not required to follow the requirements of the Local Government Transparency Code 2015 because the council has income and expenditure greater than £25,000 and below £200,000. Although a review of the website shows the council is following best practice and is disclosing information.

### M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

#### Internal audit requirement

*The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).*

The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 require that the statement of accounts prepared by the authority (i.e. the Annual Governance & Accountability Return (AGAR) Part 2), the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested, during a period of 30 working days set by the smaller authority and including the first 10 working days of July.

Inspection - Key date	2020/21 Actual	2021/22 Proposed
Date Inspection Notice Issued and how published	29 <sup>th</sup> June	30 <sup>th</sup> May
Inspection period begins	1st July	13 June

Inspection period ends	11 <sup>th</sup> August	22 <sup>nd</sup> July
Correct length	yes	yes
Common period included?	yes	yes
Summary of rights document on website?	Attached to inspection announcement	Attached to inspection announcement

**Section Conclusion**

I am of the opinion that the control assertion has been met.

**N. PUBLICATION REQUIREMENTS****Internal audit requirement**

*The authority has complied with the publication requirements for 2020/21 AGAR.*

A review of the website and the findings above show that the local authority has complied with the regulations in respect of publication.

**Section Conclusion**

I am of the opinion that the control assertion has been met.

**O. TRUSTEESHIP****Internal audit requirement**

*Trust funds (including charitable) – The council met its responsibilities as a trustee.*

The council does not have any trusts.

Should you have any queries please do not hesitate to contact me.

Kind regards

Yours sincerely



**Mark Mulberry**



**Audit Points Forward**

Income	I remind council per financial regulation 9.3 it is to review its charges on an annual basis.	
Reserves	The councils' general reserves are very high, I would recommend council reviews its reserves in the light of future project delivery. These will need explaining to the external auditor.	
Risk	I remind council that per financial regulation 17.1. The risk management arrangements should be reviewed at least annually.	