

Annual Governance and Accountability Return 2021/22 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2021/22

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
- X 2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
 - The Annual Internal Audit Report **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
- X 3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2022**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2022**. Reminder letters will incur a charge of £40 +VAT:
 - ✓ • the Annual Governance and Accountability Return Sections 1 and 2, together with
 - ✓ • a bank reconciliation as at 31 March 2022
 - ✓ • an explanation of any significant year on year variances in the accounting statements
 - ? • notification of the commencement date of the period for the exercise of public rights
 - ✓ • Annual Internal Audit Report 2021/22

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

X Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2022 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- X • **Section 1 - Annual Governance Statement 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

INTERNAL AUDIT REPORT 2021/22 WALDRIDGE PARISH COUNCIL

1. Background

- 1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Department of Housing, Communities and Local Government (DHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities
- 1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,0000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made of 3 sections along with an annual internal audit report. which is to be completed by the Parish Council's independent internal auditor, who gives an opinion on the Parish Council's internal controls.
- 1.3. CDALC have provided Councils with an internal audit checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.
- 1.4. Since the Parish Clerk left in July certain information could not be found to carry out substantial checks.

2. Objectives of the Audit

- 2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

3. Scope of the Internal Audit work and the areas examined.

- 3.1. The Scope of Work covers the key control objectives identified in the AGAR part for Internal Audit, and to follow up the reports on the previous audit work.
- 3.2. To properly complete the audit the following areas of activity have been examined and tested by the Internal Auditor:
 - Payroll
 - Creditors
 - Risk Management
 - Income collection and Banking arrangements
 - Petty cash
 - Assets
 - Debtors
 - Budgetary Control (including year end procedures)
 - Exercise of Public Rights
- 3.3. The audit findings of this report have been discussed with the Chair and any recommendations have been agreed with him.

4. Audit Findings

4.1. Payroll

- 4.1.1. The Parish Council has 2 employees (Clerk and Caretaker) and were paid through HMRC online payroll service. It was agreed in March 2021 to outsource the payroll function to DCC. At the date of this audit this has not yet progressed.
During the year the Clerk left, and the Council had difficulties in recruiting and no Clerk was in post until March 2022. The Caretaker also left during the year and was not replaced.

4.1.2. Timesheets are completed for both the Clerk and the Caretaker. The Clerk completes and signs his timesheet which is authorized by a Member and is seen when payments are being made. The Caretaker completes his timesheet totals his hours and signs his timesheet which is authorized by the Clerk and checked by Members when other payments are agreed under Financial Matter in the minutes. This had been correctly carried out until the Parish Clerk left.

4.1.3. A file of payments, minutes and bank reconciliations which had been compiled by the Parish Clerk up to the date he left, was given to me on 3rd August, and I confirmed the timesheets in this file.

4.2. Accounts Payable (creditors)

4.2.1. There are no separation of duties at Waldrige Parish Council as the Parish Clerk is the only Officer responsible for Finance and Administration. During the time when the Council has not been able to appoint a Clerk Councillors have taken the role. Payments are made by electronic transfer and direct debit (mainly utilities)

All expenditure (on line payments) are authorized by the Council with the Clerk having delegated powers to incur expenditure up to £200 (ratified by Council).

All expenditure is recorded on a list of payments (Financial Transactions list) for approval by the Council which is circulated to all Members before the monthly meeting for any comments under Financial Matters. Any urgent payments invoices can be sent by e.mail for approval by Councillors.

4.2.2. Satisfactory compensating checks are carried out by the Members, where two members of the Council sign every cheque or order for payment, where they check each payment against the relevant invoice. All authorized signatories are Members of the Council.

4.2.3. Payments are prepared by the Responsible Finance Officer (Clerk), in his absence a Councillor undertook this role.

4.2.4. All payments are recorded on an excel spreadsheet which is satisfactory for the size of the Council.

4.2.5. The Caretaker was given a float rather than purchase items himself and then being reimbursed, receipts for this float could not be found and it was agreed with the Chair that he would probably has spent this amount as no further reimbursements were given to him.. Therefore the £200 was include in the expenditure accounts.

4.2.6. A file of invoices from the Clerk who left in July were given to me on 3rd August 2022. I could confirm that all these invoice on file had been correctly paid. It was agreed with the Chair that he would contact other Councillors to see if they had any invoices on their e.mails which they could send to me by e.mail. I was able to verify a few invoices which had been paid and was able to confirm most of the utility payments, this still left many invoices which I was unable to verify. These were mainly payments for events although 2 similar invoices for electrical work appears to be paid twice and the Chair is investigating this.

4.3. Risk Management/Governance arrangements

4.3.1. The Council completed an annual risk assessment which was updated in January 2022 regarding the Room hire arrangements.

4.3.2. Operational risks eg. Events, are risk assessed when required.

4.3.3. There appears to be adequate insurance cover for all assets of the Council, with insurance cover being reviewed every September (the Council has a three year contract).

4.3.4. Some policies including Standing orders were updated at the June 2021 meeting. At the May

2022 AGM it was agreed that the Standing Orders and Financial Regulations remain the same and the asset register is to be rebuilt.

- 4.3.5. There is a standard agenda item for any policies to be reviewed at every Council meeting and the Council has a data base list of all policies which has a review date on them. Throughout the year policies have been added or updated where possible.
- 4.3.6. The Council does not appear to have adequate back up procedures in place.
- 4.3.7. A form showing the announcement of the public rights for 2020/21 was on file and dated 30th June 2021 to be displayed on 1st July to 10th August 2021 This was unsigned and does not appear on the website and Councillors are unsure if this was displayed. No form for 2021/22 has been completed as the accounts have not been agreed.

4.4. Income collection and Banking arrangements

- 4.4.1. Income received is mainly the precept, vat reimbursements. bank interest, room hire and allotments.
- 4.4.2. The Council has a hall letting policy which the users have to sign and following the previous audit the Clerk has introduced a new booking form which ensures that sufficient detail is recorded on it. There are two lists for hall hire, one for paying cash and another when invoices are raised. Due to the pandemic no room hire had taken place during the year, therefore no checks were carried out.
- 4.4.3. Following a previous audit report, it has been agreed that all cash income collected is to be banked.
- 4.4.4. Following a previous audit report, it has been agreed to purchase a duplicate receipt book and any hirers paying by cash will be issued with a receipt.
- 4.4.5. The allotments are run by an Association which pays the Council an annual rent. (Paid 21st July 2021). The Council also pay the allotment water bills which are reimbursed by the association.
- 4.4.6. There are 2 bank accounts held by the Council, Current account, for day to day transactions of the Council and a deposit account holding monies for reserves and to earn interest.
- 4.4.7. Vat reimbursements are made once a year which is adequate for this Council and was paid into the Councils bank account on 2nd September 2021, for the period 1st January 2020 to 31st March 2021.

4.5. Accounting Records

- 4.5.1. All Income and Expenditure (including vat) is recorded on an excel spreadsheet which is adequate for this Council and enables the Clerk to be able to carry out his duties, however this could not be found and the income and expenditure was taken for the bank statements to carry out checks.

4.6. Assets

- 4.6.1. The Council completes an asset register every year which is approved by the Council at its annual meeting. At the 2022 AGM It has been agreed to review and rebuild the asset register.

4.7. Debtors

- 4.7.1. Accounts are raised for room hire and are recorded on the income and expenditure spreadsheet, as very little room hire took place no raised accounts were examined.

4.8. Budgetary Control and budget setting

- 4.8.1. The budget estimates and precept were discussed by a Parish Council Committee meeting in

November 2021 where it was agreed for the coming year.

4.8.2. Budgetary control is carried out when the bank statements are received and the Chair confirms the bank reconciliation, and bank statement The only evidence of this was when the Clerk was in post and this was found on file.

4.8.3. At the 9th February 2021 Council meeting it was decided to form a working group to consider short medium and long term planning for the council. I am unsure if this has been carried out although it was on the Councils agenda in 2022.

4.9. Trust Funds

4.9.1 The Council are trustees for the Millenium Green which was transferred to the Parish Council in 2011 who are now the sole trustee. Following a previous audit report a Constitution has been distributed to Members to read to ensure that the Council is compliant with the Constitution.

4.9.2. The Trust has separate meetings from the Council with separate accounts being kept. Nothing related to the Trust is discussed at Council meetings.

5. Conclusions

5.1 During the year after the Clerk left, information has been lost and without an appropriate back up system this was not found and therefor it has been difficult to give adequate assurance for the internal controls within the annual return

5.2. Due to the above the Council has missed the deadline for agreeing the accounts for 2021/22.

6 Recommendations

6.1. This report has been discussed with the Chair and Vice Chair of the Council on 3rd August 2022 and a way forward has been agreed which is to include an action plan and I would recommend an interim audit in November 2022.



**Gordon Fletcher (C.M.I.I.A.),
Internal Auditor,
Date: 15th August 2022**

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2022**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at 31 March 2022 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	✓	

***Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk**

Annual Internal Audit Report 2021/22

WAHDRIDGE PARISH COUNCIL

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

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.			✓
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	✓		
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).		✓	

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

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: 22/06/22 to 14/08/22 DD/MM/YYYY
 Name of person who carried out the internal audit: GORDON FLETCHER (C.M.I.I.A.)

Signature of person who carried out the internal audit: *G. Fletcher* REQUIRED Date: 16/08/2022

*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:

WALDRIDGE 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	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.		<input checked="" type="checkbox"/>	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.		<input checked="" type="checkbox"/>	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	<input checked="" type="checkbox"/>		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.		<input checked="" type="checkbox"/>	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	<input checked="" type="checkbox"/>		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input checked="" type="checkbox"/>		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="checkbox"/>		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	<input checked="" type="checkbox"/>		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
	<input checked="" type="checkbox"/>		

*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:

13-09-2022

and recorded as minute reference:

AGENDA ITEM 10: 13-09-2022

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

WALDRIDGE PARISH.CO.UK /WEBPAGE ADDRESS

Section 2 – Accounting Statements 2021/22 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	39,023	92,272	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.	
2. (+) Precept or Rates and Levies	66,000	66,198	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	23,177	6,247	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs	23,535	6,598	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.	
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	12,395	54,554	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	92,272	103,565	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments	92,272	103,565	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.	
9. Total fixed assets plus long term investments and assets	122,030	122,030	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.	
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
	✓			N.B. The figures in the accounting statements above do not include any Trust transactions.

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

SIGNATURE REQUIRED

DATE

Date

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

13-09-2022

as recorded in minute reference:

AGENDA ITEM 10: 13-09-2022

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

SIGNATURE REQUIRED

Analysis of variances			
	Year	Year	
Box	Ending 2021	Ending 2022	Reason
	£	£	
3	23,177.00	6,247.00	Less grant money
4	23,533.00	6,598.00	No clerk or caretaker in post after July
6	12,395.00	54,554.00	Purchase of play ground
			Various events not previously taken place
			Legal costs
			Election costs
Bank balances as at 31.3.22			
Unity bank		18,565.00	
Redwood bank		85,000.00	
Total box 7 and 8		103,565.00	

Section 3 – External Auditor’s Report and Certificate 2021/22

In respect of

ENTER NAME OF AUTHORITY

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2021/22

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2021/22

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

ACTION PLAN

Waldridge Parish Council - Audit 2021/22 accounts

Action Ref	Observation	Associated Risk	Priority	Recommendation	Management Comments	Responsibility Timescale
1.	The Council has failed to approve the AGAR forms by the deadline.	Failure to comply with Accounts and Audit regulations 2015.	Very High	That all sections of the AGAR completed immediately, and approved.	Completed by 16 th August To be approved at the next Council meeting	Chair Immediate
2.	Progress has not yet been made on outsourcing the payroll function to DCC	Possible fine Payroll not completed	Medium	That the Council contact DCC to progress this	Agreed	Chair/Clerk ASAP
3.	Timesheets completed by Officers which are authorized by the Chair and payment agreed when submitted to Council at the monthly meetings.	Incorrect payments made	Medium	Council members to confirm this procedure.	Agreed	Chair Immediate
4.	Invoices could not be found.	Invoices lost	High	Invoices after agreement by Council should be placed on file under the appropriate month	Agreed	Chair/Clerk Immediate
5.	2 similar invoices appear to have been paid twice.	Invoices paid twice	High	That the Chair investigate this to confirm that the Council has not paid twice for the same work	Agreed to Investigate	Chair Immediate
6.	There does not appear to be adequate back up procedures for Council Information on laptops	Loss of information	High	Council should explore various back up procedures.	Agreed	Chair/Clerk Immediate
7.	Income and expenditure spreadsheet could not be found	Loss of information Unable to confirm payments and Income	High	A cash book spreadsheet be brought up to date	Agreed	Clerk When Clerk appointed
8	It does not appear that the Council has considered Medium or long terms plans	Failure to budget for services.	Medium	That a working group considers medium and long term planning when setting the annual budget	Agreed	Working Group Budget setting process