

Ettington Parish Council

Date: 5 May 2021

Item 12 Appendix 4	Audit 1 April 2020 to 31 March 2021
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## 1 Introduction

This report relates to audit of financial year 2020 - 21 and comprises a number of sections as follows:

## 2 Key Dates

Deadline (before)	Action
1 June 2021	Approval and submission of AGAR 3  Once approved the Chairman and Clerk sign the Annual Governance Statement and the Chairman signs the Accounting Statement.
1 July 2021	Publication of <ul style="list-style-type: none"><li>• Annual Internal Audit Report</li><li>• Annual Governance Statement</li><li>• Accounting Statement</li><li>• Declaration that the accounts are, as yet, unaudited</li><li>• Details of arrangements for the exercise of public rights</li><li>• Name and address of external auditor</li></ul>
1 October 2021	Publication of <ul style="list-style-type: none"><li>• Notice of conclusion of audit</li><li>• The Annual Governance Statement (including any amendments as a result of the limited assurance review</li><li>• The external auditor report and certificate</li></ul>

## 3 Internal Audit Report

Mr Trevor Gill has completed the Annual Internal Audit Report section of AGAR 3 and this is at appendix 1 for information together with a letter for the External Auditors which is at appendix 2.

Mr Gill envisages having the full report of his audit in early May and this will be an agenda item for the next scheduled meeting.

## 4 AGAR

The AGAR is at appendix 3

- a. **Section 1- Annual Governance Statement:** The Council must complete and approve this section, during the meeting **before** completing Section 2. The Chair and Clerk are required to sign the statement.
- b. **Section 2 – Accounting Statement.** The Council are asked to approve Section 2. The Chair is required to sign the statement;

## **5 Explanation of Variances**

The Explanation of Variances is at appendix 4 (a separate document entitled Audit Appendix 4) and is for information and will be submitted to the External Auditors.

## **6 Ear Marked Reserves**

This is also included, for information, at Appendix 4 (a separate document entitled Audit Appendix 4, and will be submitted to the External Auditors

## **7 Bank Reconcilliation**

This is included, for information, at appendix 5 and will be submitted to the External Auditors.

# Appendix 1 – Internal Audit Section of AGAR

## Annual Internal Audit Report 2020/21

Ettington Parish Council

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During the financial year ended 31 March 2021, 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 2020/21 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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick 'not covered')			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.	✓		
M. The authority, during the previous year (2019-20) 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 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) 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

25 APRIL 2021.

Name of person who carried out the internal audit

KEVIN BARRIEGILL

Signature of person who carried out the internal audit



Date

25 APRIL 2021

\*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).

Appendix 2.

25 April 2021

Ms. S Furniss  
Parish Clerk  
Ettington Parish Council

For The Attention Of PKF Littlejohn

Internal Audit of Ettington Parish Council for the year 2020-2021

It will be noted that in the Annual Internal Audit Report 2020/21 page 3 for Ettington Parish Council, the internal report item F has been marked by the internal auditor as Not Covered.

In accordance with the instructions at the bottom of that page marked \*\*Note., this letter confirms that Ettington Parish Council holds no petty cash.

If I can be of any further assistance please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Trevor B Gill', with a long horizontal flourish extending to the left.

Trevor B Gill

## Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

Ettington 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 2021, 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	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

\*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:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS



Appendix 3 (2 of 2)

Section 2 – Accounting Statements 2020/21 for

Ettington Parish Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	152,672	195,914	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	34,800	37,210	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	43,087	7,012	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	10,317	9,970	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.
6. (-) 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).
8. (-) All other payments	24,328	35,706	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 6).
7. (=) Balances carried forward	195,914	194,460	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	195,914	194,460	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	80,436	135,045	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	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.
	<input type="checkbox"/>	<input type="checkbox"/>	

I certify that for the year ended 31 March 2021 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

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

as recorded in minute reference:

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

SIGNATURE REQUIRED

Appendix 4 is a separate document entitled

## Appendix 5

### Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed "Year ending 31 March" in the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that unrepresented cheques should be entered as negative figures.

Name of smaller authority: Ettington Parish Council

County area (local councils and parish meetings only): Warwickshire

#### Financial year ending 31 March 2021

Prepared by (Name and Role): Sarah Furniss

Date: 25-Apr-21

	£	£
<b>Balance per bank statements as at 31/3/21</b>		
NS&I Account No: 18414474	170,411.9	
Unity Trust Account no: 20396163	12,944.6	
Unity Trust Account no: 20396150	11,503.7	
[add more accounts if necessary]		
		194,860.3
Petty cash float (if applicable)		-
<b>Less: any unrepresented cheques as at 31/3/2021 (enter these as negative numbers)</b>		
Shipston Home Nursing	(400.00)	
[add more lines if necessary]		
		(400.00)
Add: any un-banked cash as at 31/3/xx		
		-

Net balances as at 31/3/2021 (Box 8)

194,460.3