

Annual Internal Audit Report 2021/22

Somerford Keynes Parish Council

www.somerfordkeynes.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. | ✓ | | |
| 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) 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).

16/05/2022

Alexander Warde

Signature of person who carried out the internal audit

A. N. Warde

Date

25/05/2022

*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).

Certificate of Exemption – AGAR 2021/22 Form 2PM

To be completed by all Parish Meetings that neither received gross income nor incurred gross expenditure exceeding £25,000 in the year of account ended 31 March 2022, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the Parish Meeting has certified itself as exempt at a Parish Meeting held between **1 April and 30 June 2022** and a completed Certificate of Exemption is submitted no later than **30 June 2022** notifying the external auditor.

SOMERFORD KEYNES PARISH COUNCIL

certifies that during the financial year 2021/22, the higher of the Parish Meeting's total gross income for the year or total gross annual expenditure for the year did not exceed **£25,000**

Total annual gross income for the Parish Meeting 2021/22:

10,408

Total annual gross expenditure for the Parish Meeting 2021/22:

11,685

There are certain circumstances in which an Parish Meeting will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If a Parish Meeting **is unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Form 3PM to the external auditor to undertake a limited assurance review for which a fee of **£200 +VAT** will be payable.

By signing this **Certificate of Exemption** you are confirming that:

- This parish has no Parish Council
- The authority was in existence on 1st April 2018
- In relation to the preceding financial year (2020/21), the external auditor **has not**:
 - issued a public interest report in respect of the Parish Meeting or any entity connected with it
 - made a statutory recommendation to the Parish Meeting
 - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and not withdrawn the notice
 - commenced judicial review proceedings under section 31(1) of the Act
 - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If you are able to confirm that the above statements apply and that the Parish Meeting neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, and Annual Accounting Statements still need to be fully completed and, along with a copy of this certificate and notice of the period for the exercise of public rights, published on a suitable website or be publicly displayed in the local area before 1 July 2022. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by Chairman

[Signature]

Date

6.6.22

I confirm that this Certificate of Exemption was approved by this Parish Meeting on this date:

6.6.22

as recorded in minute reference:

4.1

Email

SKPCclerk@gmail.com

Telephone number

01285 869713

Place where this Certificate of Exemption is published or displayed (e.g. Parish Notice Board, Newsletter, Village website, etc.)

Parish Notice Board, Parish website

ONLY a copy of this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor but no later than 30 June 2022. Reminder letters incur a charge of £40 +VAT.

2

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

SOMERTON KEYNES 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. | ✓ | | <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. | ✓ | | <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. | ✓ | | <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. | ✓ | | <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. | ✓ | | <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. | ✓ | | <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. | ✓ | | <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. | ✓ | | <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 | <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> |

*For any statement to which the response is 'no', an explanation must be published

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

6.6.22

and recorded as minute reference:

4.3

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

J. Whitwell
Chairman

K. Reese
Clerk

| Other information required by the Transparency Code (not part of the Annual Governance Statement) | | |
|---|-----|----|
| | Yes | No |
| The authority website/webpage is up to date and the information required by the Transparency Code has been published. | | |

Section 2 – Accounting Statements 2021/22 for

| | Year ending | | Notes and guidance |
|--|--------------------|--------------------|---|
| | 31 March 2021 £ | 31 March 2022 £ | |
| 1. Balances brought forward | 8342 | 4377 | 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 | 3000 | 3750 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 4778 | 6658 | 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 | 2879 | 3046 | 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 | NIL | NIL | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any). |
| 6. (-) All other payments | 8864 | 8639 | 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 | 4377 | 3,100 | 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 | 4377 | 3,100 | 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 | 2800 | 2800 | 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 | NIL | NIL | 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. |
| | | | |

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

K. Leary

Date

6.6.22

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

6.6.22

as recorded in minute reference:

4.4

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

J. Whitwell

**SOMERFORD KEYNES PARISH COUNCIL
SUMMARY RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

| | | |
|---------------------------------------|--|--------------------------|
| Year ended 31/03/2021 | | Year ended 31/03/2022 |
| RECEIPTS | | |
| Precept | | 3,750.00 |
| Rent - Parish Field | | 1,080.00 |
| VAT recovered | | 0.00 |
| Donation: Village Lake | | 0.00 |
| Grants: Community Levy Fund | | 842.96 |
| Other Receipts - Savings A/C Interest | | 0.43 |
| Wine Society Donation | | 56.77 |
| S106 from CDC for Lake Meadow | | 4,678.00 |
| | | <u>10,408.16</u> |

| | | |
|---|--|------------------|
| Total Receipts | | |
| | | <u>10,408.16</u> |
| PAYMENTS | | |
| General administration | | 3,703.62 |
| Insurance | | 257.60 |
| Village gateway signs, Historic Towns Forum | | 0.00 |
| Defibrillator install/phone box refurbishment | | 0.00 |
| VAT | | 1,265.16 |
| Village Lake (SKPC/CDC/donation funded) | | 4,696.55 |
| Village Lake (Calor funded) | | 1,390.18 |
| Defibrillator maintenance | | 392.00 |
| | | <u>11,685.11</u> |

| | | |
|-----------------------------------|-----------|------------------|
| Total Payments | | <u>11,685.11</u> |
| Excess of income over expenditure | 0.00 | |
| Excess of expenditure over income | -1,276.95 | |

| | | |
|--|--|------------------|
| RECEIPTS AND PAYMENTS SUMMARY | | |
| Balance brought forward at 1st April 2021 | | 4,376.68 |
| Add Total Receipts | | 10,408.16 |
| | | <u>14,784.84</u> |
| Less Total Payments | | 11,685.11 |
| Balance carried forward at 31st March 2022 | | <u>3,099.73</u> |

| | | |
|---|--|-----------------|
| These cumulative funds are represented by :- | | |
| Current Account | | 3,290.56 |
| Savings Account | | 0.00 |
| cheques issued not cashed by 31/3/22 | | 130.77 |
| | | <u>3,099.59</u> |

4,376.78

SUPPORTING STATEMENT

Assets
As at 31/03/22 the only assets held were the Notice Board, Brush Cutter, BT phone box, Computer, Printer, Projector, Screen, Mower, Speedgun, Defibrillators, the Parish Field and Village Lake. The Parish Field and Village Lake are deemed to be community assets and are recorded as such with a valuation of £1 as a proxy for zero cost.

Expenditure 21/22
Village Gateway Signs are all installed and completed. The Village Lake has had significant maintenance through Calor Fund which is now all spent. The ailes have been replaced with kissing gates at no charge to the PC. Defibrillator costs have also been incurred this year. The Village Lake Meadow was funded from S106 monies. The majority of other spend was on Clerk Salary and PC admin.

Borrowings
As at 31st March 2022 the Council had no loans.

Leases
As at 31st March 2022, the Council was leasing the Parish Field to Waterland having negotiated a lease for 5 years (expires 1st October 2022) at an annual rent of £1,050. Currently being reviewed by PC.


Debts Outstanding
As at 31 March 2022 awaiting VAT Reclaim of £1090.10 Submitted March 2022


Expenditure Plans for 22/23
A request has been submitted to increase the Precept to £4000 to meet the Councils commitments due in Clerk salary increase and possible election changes.
Possible funding for support of Jubilee celebrations. TBC
Possible requirement to fund local elections. TBC

S. 137 Payments
Section 137 of the Local Government Act 1972 enables Parish Councils to spend up to the product of £8.32 per head of electorate (426) for the benefit of people in the area on activities or projects not specifically authorised by other powers. The limit for this Council in the year ended 31st March 2022 was £3,544.32 and the payments made were :-

| | | |
|---------------|---|---------------|
| Defibrillator | £ | 470.40 |
| TOTAL | | <u>470.40</u> |

Approved by the Parish Council at a meeting held 9 May 2022 as a true record of the Receipts and Payments for the year ended 31st March 2022

Signed  Chairman

Signed  Responsible Finance Officer
Date 6.6.22