

Smaller authority name: **CHIGWELL PARISH COUNCIL**

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

**Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p>1. Date of announcement 29th June 2021(a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of 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. For the year ended 31 March 2021, these documents will be available on reasonable notice by application to:</p> <p>(b) The Clerk, Chigwell Parish Council Offices, Hainult Road, Chigwell Essex IG7 6QZ. P: 0208 501 4275 E: anthony.belgrave@chigwellparishcouncil.gov.uk</p> <p>commencing on (c) Wednesday 30 June 2021 _____</p> <p>and ending on (d) Tuesday 10 August 2021 _____</p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• 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. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD sba@pkf-l.com</p> <p>5. This announcement is made by (e) David Lines (Acting RFO)</p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

The [Local Audit and Accountability Act 2014](#) (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act and the [Accounts and Audit Regulations 2015](#) also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect 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. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. The 30 working day period must include a common period of inspection during which all smaller authorities' accounting records are available to inspect. This will be 1-14 July 2021 for 2020/21 accounts. The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

The right to ask the auditor questions about the accounting records

You should first ask your smaller authority about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The

advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the [Local Audit and Accountability Act 2014](#).

A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication [Local authority accounts: A guide to your rights](#) are available from the NAO website.

If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.

Annual Internal Audit Report 2020/21

CHIGWELL PARISH COUNCIL

<http://www.chigwellparishcouncil.gov.uk/>

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.	N/A	Applicable ✓	
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

13/11/2020 22/03/2021 07/06/2021

Name of person who carried out the internal audit

S J Pollard for Auditing Solutions Ltd

Signature of person who carried out the internal audit

Date

07/06/2021

*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).

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

CHIGWELL 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			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:

24/06/2021

and recorded as minute reference:

21.36 d i)

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

Chairman

Clerk

ENTER PUBLIC WEBSITE ADDRESS: www.chigwellparishcouncil.gov.uk

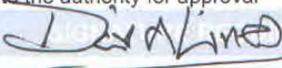
Section 2 – Accounting Statements 2020/21 for

CHIGWELL PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
			<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>
1. Balances brought forward	586,303	646,573	<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	290,801	290,801	<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	180,219	138,844	<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	177,251	184,753	<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	7,703	7,703	<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	225,797	246,701	<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	646,573	637,061	<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	646,156	629,837	<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	RESTATED 2,924,679	2,924,679	<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	90,888	86,981	<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	<i>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>
		✓	

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



Date 18/06/2021

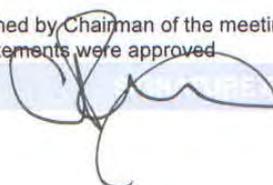
I confirm that these Accounting Statements were approved by this authority on this date:

24/06/2021

as recorded in minute reference:

21.36 d) (ii)

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



03/06/2021

Chigwell Parish Council

16:33

Balance Sheet as at 31st March 2021

31st March 2020

31st March 2021

31st March 2020		31st March 2021	
Current Assets			
12,936	Debtors	275	
5,550	VAT Control A/c	16,565	
5,891	Prepayments	7,970	
1,266	Clerk's A/c	17,492	
11,620	Barclay's Deposit A/c	20,811	
85,000	Cambridge Counties A/C	85,000	
548,229	Barclays Savings Account	456,534	
0	United Trust Bank A/C	50,000	
40	Petty Cash	0	
670,532			654,647
670,532	Total Assets		654,647
Current Liabilities			
331	Creditors	7,524	
22,694	Accruals	6,882	
715	Receipts in Advance	2,805	
219	Allotment key deposits	374	
23,959			17,585
646,573	Total Assets Less Current Liabilities		637,061
Represented By			
501,573	General Reserves		526,220
32,000	EMR - Equipment		14,644
45,000	EMR - Cemetery renovation		42,000
15,000	EMR - Boundary fencing		3,950
3,000	EMR - Car park repairs		50
50,000	EMR - The Paddocks		50,000
0	Allotment renovation		197
646,573			637,061

Chigwell Parish Council

Bank - Cash and Investment Reconciliation as at 31 March 2021

	<u>Account Description</u>	<u>Balance</u>	
<u>Bank Statement Balances</u>			
3	31/03/2021 Clerk's A/c - 01464574	17,492.46	
6	30/06/2020 Petty Cash	0.00	
7	31/03/2021 Barclay's deposit	20,810.83	
8	31/03/2021 Cambridge Counties Bank	85,000.00	
9	31/03/2021 Barclays Premium ME	456,533.96	
10	31/03/2021 United Trust Bank A/C	50,000.00	
			629,837.25
<u>Receipts not on Bank Statement</u>			
0	31/03/2021 All Receipts Cleared	0.00	
			0.00
<u>Closing Balance</u>			<u>629,837.25</u>
<u>All Cash & Bank Accounts</u>			
1	CLOSED		0.00
2	CLOSED		0.00
3	Clerk's A/c		17,492.46
4	CLOSED		0.00
5	CLOSED		0.00
6	Petty Cash		0.00
7	Barclay's Deposit A/c		20,810.83
8	Cambridge Counties A/C		85,000.00
9	Barclays Savings Account		456,533.96
10	United Trust Bank A/C		50,000.00
	Other Cash & Bank Balances		0.00
	Total Cash & Bank Balances		<u>629,837.25</u>

Chigwell Parish Council

Working Detail for Reserves Reconciliation for ANNUAL RETURN 31 March 2021

Explains the difference between boxes 7 & 8 on the Annual Return

<u>Code</u>	<u>Description</u>	<u>Last Year £</u>	<u>This Year £</u>
	Total Reserves	646,572.78	637,061.28
100	Debtors	12,935.71	275.00
105	VAT Control A/c	5,549.71	16,564.51
110	Prepayments	5,890.93	7,969.77
	Less Total Debtors	24,376.35	24,809.28
500	Creditors	331.19	7,523.98
510	Accruals	22,694.26	6,882.27
520	Receipts in Advance	715.00	2,805.00
560	Allotment key deposits	219.00	374.00
	Plus Total Creditors	23,959.45	17,585.25
	Equals Total Cash and Bank Accounts	646,155.88	629,837.25
202	Clerk's A/c	1,265.87	17,492.46
205	Barclay's Deposit A/c	11,620.44	20,810.83
206	Cambridge Counties A/C	85,000.00	85,000.00
207	Barclays Savings Account	548,229.12	456,533.96
208	United Trust Bank A/C	0.00	50,000.00
250	Petty Cash	40.45	0.00
	Total Cash and Bank Accounts	646,155.88	629,837.25

Explanation of variances – pro forma

Name of smaller authority: **Stanway Parish Council**

County area (tick appropriate): **Essex Forests**

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**: 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).

	20xx/xx £	20xx/xx £	Variance £	Variance %	Explanation Required?	Automatic response 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	586,503	646,573					Explanation of % variance from PY opening balance not required - Balance brought forward agrees
2 Precept or Rates and Levies	290,601	290,601	0	0.00%	NO		
3 Total Other Receipts	180,275	138,644	-41,375	22.96%	YES		Reduction in hall hire income - (26,682) Reduction in bank interest - (502) Increase in allotment income - 739 Increase in cemetery income - 35752 Increase in msc income - 467 Reduction in £106 grant income - (50,000) Reduction in telecomms mast income - (750)
4 Staff Costs	177,251	184,755	7,502	4.23%	NO		
5 Loan Interest/Capital Repayment	7,703	7,703	0	0.00%	NO		
6 All Other Payments	225,796	246,701	20,905	9.26%	NO		
7 Balances Carried Forward	646,573	637,061			YES	VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES	
8 Total Cash and Short Term Investments	646,156	629,637				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and			0	0.00%	NO		
10 Total Borrowings	90,888	86,981	-3,907	4.30%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
Earmarked reserves:			
Equipment	14644		
S106	50000		
Cemetery Renov	42000		
Boundary fencing	3950		
Allotment Renov	197		
Car park repairs	50		
		110841	
General reserve	526220		
		526220	
Total reserves (must agree to Box 7)			637061

Detailed Income & Expenditure by Budget Heading 31/03/2021

Month No: 12

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>101 Administration</u>							
1076 Precept	290,801	290,801	0			100.0%	
1090 Bank Interest	2,022	1,700	(322)			118.9%	
1110 Photocopying/Faxing Income	3	10	8			25.0%	
1600 Miscellaneous Income	505	0	(505)			0.0%	
Administration :- Income	293,330	292,511	(819)			100.3%	0
4000 Salaries	56,977	62,285	5,308		5,308	91.5%	
4001 Tax & NI	30,490	30,500	10		10	100.0%	
4005 Superannuation	13,248	15,050	1,802		1,802	88.0%	
4100 Printing & Stationery	872	800	(72)		(72)	109.0%	
4101 Postage	1,335	1,200	(135)		(135)	111.3%	
4102 Photocopying Costs	4,088	3,100	(988)		(988)	131.9%	
4105 Subscriptions	2,043	2,500	457		457	81.7%	
4120 Telephones	3,350	3,945	595		595	84.9%	
4121 Mobile Communications	176	180	4		4	97.8%	
4126 Cleaning Materials	9	175	166		166	5.1%	
4127 Property Maintenance	4,566	4,600	34		34	99.3%	
4128 Vandalism & Security	586	1,300	714		714	45.1%	
4130 Information Technology	3,240	4,500	1,260		1,260	72.0%	
4131 Website	10,776	11,000	225		225	98.0%	
4132 Licences	1,601	1,850	249		249	86.6%	
4140 Sundry Expenses	0	500	500		500	0.0%	
4141 General Expenses	1,866	1,900	34		34	98.2%	
4150 Training/Courses	3,009	2,950	(59)		(59)	102.0%	
4151 Travel	106	200	94		94	52.9%	
4155 Bank Charges	500	550	50		50	90.9%	
4170 Rent & Rates	9,051	8,000	(1,051)		(1,051)	113.1%	
4172 Gas	421	450	29		29	93.5%	
4174 Electricity	629	1,100	471		471	57.2%	
4176 Water	112	300	188		188	37.2%	
4178 Waste Disposal	0	400	400		400	0.0%	
4185 Audit - Council accounts	3,678	1,750	(1,928)		(1,928)	210.1%	
4190 Legal & Professional Fees	10,316	14,600	4,284		4,284	70.7%	1,275
4210 Insurance	4,832	4,500	(332)		(332)	107.4%	
4226 Equipment Maintenance	75	0	(75)		(75)	0.0%	
4227 Equipment Purchase	111	175	64		64	63.3%	
4244 Village Plan	0	1,900	1,900		1,900	0.0%	
4702 Donations	3,000	0	(3,000)		(3,000)	0.0%	
Administration :- Indirect Expenditure	171,062	182,260	11,198	0	11,198	93.9%	1,275
Net Income over Expenditure	122,268	110,251	(12,017)				
6000 plus Transfer from EMR	1,275						
Movement to/(from) Gen Reserve	123,543						

Detailed Income & Expenditure by Budget Heading 31/03/2021

Month No: 12

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
201 Allotments - Environment							
1200 Allotment Income	1,610	1,200	(410)			134.2%	
Allotments - Environment :- Income	1,610	1,200	(410)			134.2%	0
4127 Property Maintenance	60	60	0		0	100.0%	
4128 Vandalism & Security	100	100	0		0	99.6%	
4141 General Expenses	0	10	10		10	0.0%	
4176 Water	42	350	308		308	12.0%	
4178 Waste Disposal	689	690	1		1	99.9%	
4330 Allotment Expenditure	4,714	1,200	(3,514)		(3,514)	392.9%	4,303
4460 Tree Works	3,130	3,130	0		0	100.0%	
Allotments - Environment :- Indirect Expenditure	8,735	5,540	(3,195)	0	(3,195)	157.7%	4,303
Net Income over Expenditure	(7,125)	(4,340)	2,785				
6000 plus Transfer from EMR	4,303						
Movement to/(from) Gen Reserve	(2,822)						
301 Cemetery and Open Spaces - Env							
1300 Memorials	3,310	2,700	(610)			122.6%	
1301 Burials	48,535	35,000	(13,535)			138.7%	
1302 Purchase of Plots	73,900	30,000	(43,900)			246.3%	
1304 Dedications	125	0	(125)			0.0%	
1305 Benches	1,300	650	(650)			200.0%	
1310 Transfer of Exclusive Rights	1,520	800	(720)			190.0%	
1600 Miscellaneous Income	60	0	(60)			0.0%	
1610 Telecomms mast income	3,000	3,000	0			100.0%	
Cemetery and Open Spaces - Env :- Income	131,750	72,150	(59,600)			182.6%	0
4000 Salaries	47,014	43,825	(3,189)		(3,189)	107.3%	
4001 Tax & NI	15,959	18,000	2,041		2,041	88.7%	
4005 Superannuation	16,566	16,450	(116)		(116)	100.7%	
4100 Printing & Stationery	9	10	1		1	87.5%	
4120 Telephones	1,131	1,200	69		69	94.3%	
4121 Mobile Communications	110	180	70		70	61.2%	
4125 Protective Clothing	520	490	(30)		(30)	106.1%	
4126 Cleaning Materials	462	550	88		88	84.0%	
4127 Property Maintenance	17,592	8,500	(9,092)		(9,092)	207.0%	11,750
4128 Vandalism & Security	2,411	1,300	(1,111)		(1,111)	185.5%	
4140 Sundry Expenses	0	50	50		50	0.0%	
4141 General Expenses	1,075	790	(285)		(285)	136.1%	
4150 Training/Courses	40	750	710		710	5.3%	

Detailed Income & Expenditure by Budget Heading 31/03/2021

Month No: 12

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4151 Travel	0	50	50		50	0.0%	
4170 Rent & Rates	2,096	2,600	504		504	80.6%	
4174 Electricity	1,140	1,300	160		160	87.7%	
4176 Water	0	700	700		700	0.0%	
4178 Waste Disposal	4,158	6,250	2,092		2,092	66.5%	
4190 Legal & Professional Fees	1,725	0	(1,725)		(1,725)	0.0%	1,725
4210 Insurance	2,050	2,050	0		0	100.0%	
4225 Equipment Rental	4,997	4,850	(147)		(147)	103.0%	
4226 Equipment Maintenance	2,456	3,630	1,174		1,174	67.7%	
4227 Equipment Purchase	20,846	1,800	(19,046)		(19,046)	1158.1%	17,356
4300 Grounds Maintenance	22,143	16,320	(5,823)		(5,823)	135.7%	5,330
4305 Subcontractors	540	480	(60)		(60)	112.5%	
4310 Benches/Tree Purchase	377	1,000	623		623	37.7%	
4350 PWLB Loan Repayment	7,703	7,703	0		0	100.0%	
4400 Playground Inspection	283	600	317		317	47.1%	
4401 Playground Equipment	16,675	15,750	(925)		(925)	105.9%	
4403 Chigwell Row Recreation Grd	225	350	125		125	64.2%	
4460 Tree Works	8,090	7,300	(790)		(790)	110.8%	2,250
4465 Festive Lighting	6,411	6,420	9		9	99.9%	
Cemetery and Open Spaces - Env :- Indirect Expenditure	204,804	171,248	(33,556)	0	(33,556)	119.6%	38,411
Net Income over Expenditure	(73,054)	(99,098)	(26,044)				
6000 plus Transfer from EMR	38,411						
Movement to/(from) Gen Reserve	(34,643)						
501 Highways - Environment							
4227 Equipment Purchase	0	100	100		100	0.0%	
4500 Street Furniture	0	200	200		200	0.0%	
4505 CCTV	1,140	650	(490)		(490)	175.4%	
4510 Street Lighting	16,913	17,000	87		87	99.5%	
Highways - Environment :- Indirect Expenditure	18,053	17,950	(103)	0	(103)	100.6%	0
Net Expenditure	(18,053)	(17,950)	103				
601 Miscellaneous - Administration							
4110 Advertising/Recruitment	4,345	5,000	655		655	86.9%	
4600 Elections	0	25	25		25	0.0%	
4615 Chairmans' Allowance	150	550	400		400	27.3%	
4620 Members' Allowance	100	1,100	1,000		1,000	9.1%	
4625 Grant expenditure	0	1,080	1,080		1,080	0.0%	

Detailed Income & Expenditure by Budget Heading 31/03/2021

Month No: 12

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4703 Bus service provision	167	5,000	4,833		4,833	3.3%	
Miscellaneous - Administration :- Indirect Expenditure	<u>4,762</u>	<u>12,755</u>	<u>7,993</u>	<u>0</u>	<u>7,993</u>	<u>37.3%</u>	<u>0</u>
Net Expenditure	<u>(4,762)</u>	<u>(12,755)</u>	<u>(7,993)</u>				
<u>801 Plant/Equipment purchase</u>							
4705 Purchase Plan	0	4,500	4,500		4,500	0.0%	
Plant/Equipment purchase :- Indirect Expenditure	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>	<u>4,500</u>	<u>0.0%</u>	<u>0</u>
Net Expenditure	<u>0</u>	<u>(4,500)</u>	<u>(4,500)</u>				
<u>901 Victory Hall</u>							
1080 Vict Hall Reg Hirers Income	1,233	0	(1,233)			0.0%	
1081 Vict Hall Casual Hire Income	(480)	0	480			0.0%	
1082 Vict Hall - Gas	185	0	(185)			0.0%	
1083 Vict Hall - Water	(133)	0	133			0.0%	
1084 Vict Hall - Electricity	1,340	0	(1,340)			0.0%	
1086 Vict Hall - Rates	809	0	(809)			0.0%	
Victory Hall :- Income	<u>2,955</u>	<u>0</u>	<u>(2,955)</u>				<u>0</u>
4000 Salaries	3,990	0	(3,990)		(3,990)	0.0%	
4001 Tax & NI	507	0	(507)		(507)	0.0%	
4126 Cleaning Materials	357	0	(357)		(357)	0.0%	
4127 Property Maintenance	5,529	0	(5,529)		(5,529)	0.0%	
4128 Vandalism & Security	666	0	(666)		(666)	0.0%	
4141 General Expenses	65	0	(65)		(65)	0.0%	
4170 Rent & Rates	7,672	0	(7,672)		(7,672)	0.0%	
4172 Gas	2,409	0	(2,409)		(2,409)	0.0%	
4174 Electricity	5,773	0	(5,773)		(5,773)	0.0%	
4176 Water	2,867	0	(2,867)		(2,867)	0.0%	
4178 Waste Disposal	1,456	0	(1,456)		(1,456)	0.0%	
4190 Legal & Professional Fees	450	0	(450)		(450)	0.0%	
Victory Hall :- Indirect Expenditure	<u>31,740</u>	<u>0</u>	<u>(31,740)</u>	<u>0</u>	<u>(31,740)</u>		<u>0</u>
Net Income over Expenditure	<u>(28,786)</u>	<u>0</u>	<u>28,786</u>				
Grand Totals:- Income	<u>429,645</u>	<u>365,861</u>	<u>(63,784)</u>			<u>117.4%</u>	
Expenditure	<u>439,156</u>	<u>394,253</u>	<u>(44,903)</u>	<u>0</u>	<u>(44,903)</u>	<u>111.4%</u>	
Net Income over Expenditure	<u>(9,511)</u>	<u>(28,392)</u>	<u>(18,881)</u>				
plus Transfer from EMR	<u>43,988</u>						
Movement to/(from) Gen Reserve	<u>34,477</u>						



Chigwell Parish Council

Internal Audit Report 2020-21 (Final update)

Stuart J Pollard

*Director
Auditing Solutions Ltd*

Background

Statute requires all town and parish councils to arrange for an independent Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2020-21 financial year, during our two reviews of the Council's records for the year, which were undertaken remotely due to the ongoing Covid-19 situation and restrictions on 12th / 13th November 2020, 22nd March and 9th June 2021. We wish to thank the Clerk and Responsible Finance Officer (RFO) in assisting the process, providing all necessary documentation in electronic format to facilitate commencement of our review for the year.

Internal Audit Approach

In conducting our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover is designed to afford assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'IA Certificate' in the Council's AGAR, which requires independent assurance over a series of internal control objectives.

We hope to be able to conduct the first 2021-22 review on site in the autumn of 2021 and will liaise with the Clerk and RFO, assuming that the Council has appointed a replacement of the latter by that time, to determine the approach to be taken, which will obviously be dependent on the existing Covid situation.

Overall Conclusions

We are pleased to acknowledge the positive responses and actions taken to address the recommendations set out in our 2019-20 report, with only a single residual recommendation arising at this stage of our review process.

We are also pleased to conclude that, based on the work undertaken this year, the Council is now operating in a more formalised manner with generally adequate and effective internal control arrangements in place.

Based on the overall satisfactory conclusions drawn from our review programme for the year, we have duly signed off the IA Certificate in the year's AGAR assigning positive assurances in each relevant area. However, we understand that the 2019-20 AGAR has still to be signed-off by the external auditors who are awaiting further information from the Council. Whilst not affecting our sign-off of the 2020-21 AGAR, we remind officers and members that the Council must publish all relevant detail, including the final 2019-20 external audit certificate once received, on its website in accordance with the guidance set out in the preface to the year's AGAR.

Detailed Report

Review of Accounting Arrangements & Bank Reconciliations

Our objective here is to ensure that the Council's accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We also aim to ensure the integrity of the data and that appropriate arrangements are in place for its security. The RFO maintains the accounting records using the Rialtas Omega software with support from the software supplier as and when required. Five bank accounts are in operation, each in a separate cashbook in the accounting software. Three accounts are in place with Barclays – Current, Savings & Clerks, the last being used for staff salary related payments with further accounts in place with the Cambridge & Counties Building Society and United Trust Bank.

We have: -

- Ensured the accurate roll-over of the prior year closing balances to the current year's accounting records;
- Ensured that a comprehensive, meaningful and appropriate nominal coding and cost centre structure is in place;
- Checked and agreed transactions in each account cashbook to the supporting bank statements for four months in the year to date (April & September 2020, plus January and March 2021);
- Verified reconciliations of all bank accounts between the cash book and the relevant bank statements as at 30th April and September 2020, plus 31st January and March 2021 with no long standing uncleared or other anomalous entries apparent; and
- Ensured the accurate disclosure of the combined bank account balances in the year's AGAR at Section 2, Box 4.

Conclusions

We are pleased to record that no issues arise in this area warranting formal comment or recommendation: we are also pleased to note that members are routinely reviewing and signing-off the month-end bank reconciliations on each account.

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place, that Council and Committee meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we may reasonably be expected to ascertain as we do not attend meetings, no actions of a potentially unlawful nature have been or are being considered for implementation.

We noted previously that both SOs and Financial Regulations (FRs) were reviewed and re-adopted during 2019-20, also noting from our examination of current year minutes the intent to further review and re-adopt the documents at a date in the near future, although this does not yet appear to have taken place.

As recorded in our final report for 2019-20, following the UK's exit from the EU, NALC were, prior to the current Covid-19 crisis, preparing a further revision to both SOs and FRs: this has understandably been delayed and we will keep the Council advised as soon as we hear of any developments in this respect.

We have continued our review of Council and standing committee minutes, excluding those related to Planning issues, reading those for the financial year and to date in 2021-22 as posted on the Council's website, to ensure that no issues affecting the Council's financial stability either in the short, medium or long term exist. We note the ongoing plethora of questions from local electors and have also received enquiries directly from a few ourselves all of which we have advised that they must approach the Council directly or, if they have concerns on the Council's financial activities, to contact the external auditors.

We also note that the external auditors have still to sign-off the 2019-20 AGAR and ask that, once received, we be provided with a copy of the certificate and any supplementary report issued.

Conclusions

We are pleased to record that no significant issues have been identified in this review area this year having appropriately addressed the issues highlighted in our 2019-20 report. We shall continue to review the Council's approach to governance at future visits, also continuing to review minutes. Whilst not raising a formal recommendation at this stage, we urge that the planned review and, if appropriate, update of both Standing Orders and Financial Regulations proceeds as soon as practicable.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets: -
- Suitable documentation supports the payments, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- Members are effectively controlling the management of funds and demonstrating such by evidencing their review of documentation supporting payments processed;
- The correct cost centre and nominal account code has been applied;
- Where deemed appropriate, an official order has been raised;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and
- VAT is being identified and coded appropriately for recovery from HMRC.

We reviewed the control procedures in place over the approval of payments during our 2019-20 review, noting that all payments were made either online or by Direct Debit / Standing Order with online payments set up by the RFO and then released by the Clerk. We note that a schedule of payments due for release is also prepared, presented to Council each month and signed-off by members.

We are pleased to note that, following our recommendation last year, a suitably designed rubber certification stamp has been acquired and is now affixed to all invoices with members initialling the invoices confirming approval for payment, although our examination of the documentation provided in relation to our test sample, indicates that on some occasions the certificates are only signed off by one councillor and, on occasions, not signed off at all. We appreciate the difficulties engendered by the ongoing Covid situation and urge that, once life is back to a more normal state, all invoices be subjected to full and independent scrutiny and evidenced member approval. We are, however, pleased to note that payments are reviewed and approved at monthly meetings of the Council and / or Management Committee and full Council.

We have selected a sample of payments for our examination processed in the financial year to ensure compliance with the criteria set out at the start of this section of the report: our test sample includes all payments in excess of £2,000 plus a more random selection of every 25th payment as recorded in the accounts. In all 57 individual payments have been examined, together with the three annual NNDR payments paid monthly during the year: the test sample totals £169,300 and equates to 41% by value of non-pay related payments in the financial year.

In examining the above sample of invoices, we noted that only 22 had been initialled / signed-off by two councillors, that 27 were only initialled / signed-off by one councillor, the residual 11 bearing no councillor initials or signatures. Whilst we appreciate the undoubted impact of the Covid situation, all invoices should be the subject of independent councillor scrutiny and sign-off.

We have also examined the VAT control account for the year noting that reclaims have been prepared, submitted to HMRC for the final 2019-20 and first three quarters in 2020-21 with repayment made accordingly. We have also confirmed that the final quarter reclaim is correctly disclosed as a debtor in the year's Accounts / AGAR.

Conclusions and recommendation

Whilst we consider that generally effective controls over the approval and release of payments are in place, it is important that all invoices are subjected to independent scrutiny and evidenced payment approval with members initialling or signing off all documents.

R1. All invoices should be subjected to independent member scrutiny and evidenced sign-off: where this has not proved practicable to date due to the Covid situation, arrangements should be made for all documents to be subjected to appropriate scrutiny and sign-off, albeit retrospectively and, going forward once lockdown restrictions are eased, for every invoice / payment.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition.

We were pleased to note last year the comprehensive risk registers in place: we note that they are subject to routine review and update and considered their format and content appropriate for the Council's present needs. We note that the Risk Analysis Report was reviewed and adopted by the Management Committee on behalf of the Council at the meeting held in July 2020.

We have examined the year's Zurich Municipal insurance schedule for 2020-21 and consider the level of cover in place appropriate for the Council's present requirements with Employer's and Public Liability in place at £10 million and £15 million respectively, together with Fidelity Guarantee cover at £500,000. We are also pleased to note that, following last year's recommendation, cover for "Business Interruption – Loss of Revenue" has been established at £100,000.

We also noted last year that parks and play areas under the Council's management were visited routinely each week by officers, who have received the appropriate inspection training, to ensure that the grounds and equipment are adequately maintained from a health / safety viewpoint: these reviews are supplemented by further professional reviews by external contractors during the year. We believe that position to still be in operation.

Conclusions

We are pleased to record that no concerns have been identified in this area this year warranting formal comment or recommendation: we shall continue to monitor the Council's approach to the management of risk at future reviews.

Budgetary Control & Reserves

In considering the Council's approach to budget determination and precept setting, we aim to ensure that decisions are made based on sound information and that an appropriate level of precept is determined to meet the Council's future planned expenditure.

We note that, following members' deliberations on the budgetary and precept requirements for 2021-22, both were adopted at the December 2020 full Council meeting, the latter being set at £290,801.

We have reviewed the final budget position, as set out in the detailed report generated by the Omega accounting software, with no unanticipated or unexplained variances apparent, allowing for the impact of the Covid situation, warranting further enquiry or investigation.

We have also considered the appropriateness of the level of retained reserves to finance the Council's ongoing revenue spending and future development aspirations. Total reserves at 31st March 2021 have reduced marginally to £637,061 (£646,573 as at 31st March 2020), comprising five specific EMRs totalling £110,841 with a residual General Fund Reserve balance of £526,220, which again equates to in excess of a year's revenue spending at the 2020-21 level.

Conclusions

We are pleased to record that no issues arise in this area this year warranting formal comment or recommendation.

Review of Income

In examining the Council's sources of income, we aim to establish that robust procedures are in place to ensure that income due to the Council is identified and invoiced accordingly; that arrangements for the secure handling of any cash income are in place and that income due to the Council is recovered within a reasonable time span.

We have, consequently, as part of this year's review, examined income arising from allotment rents and cemetery interments, noting that the former fall due for recovery on 1st April annually. We also note that fees are invoiced in each case using the Omega Sales Ledger software.

Burial income

The Council has previously and continues to maintain its burial records in bound ledgers: we noted last year the acquisition of the Scribe Burials software, implementation of which had been delayed. We understand that consideration is now being given to acquiring the RBS Burials software and will check on the position at the time of our next review.

At the time of our interim review, we requested provision of detail of a sample of 10 interments during the current financial year and were duly provided with copies of the supporting undertaker applications and invoices raised. Consequently, we verified the fees charged by reference to the approved schedule of fees and charges, also ensuring recovery within a reasonable time scale and are pleased to record that no issues arise in this area.

Allotment Rents & Key Deposits

A spreadsheet control record of allotments is held by the RFO identifying tenant detail for the 2 sites operated by the Council. We are pleased to note that, following last year's recommendation, the register now records detail of the fees due and key deposits received and retained, together with the payment dates. We noted that only one tenant had still to pay their rent (plot LF 30) at the time of our review, now noting that this was also duly settled.

We also noted last year that allotment key deposits were being recorded as income in the nominal ledger and advised that, as these deposits are refundable, they should not be regarded or coded as income to the Council. We are pleased to note that these deposits are now identified appropriately as creditors on nominal account code 560 in the Omega ledger.

General income

We noted last year that the Council assumed responsibility, during 2019-20, for management of room hire bookings at the Victory Hall: this arose due to delays in completion of lease negotiations with the Charitable Trust that previously managed the hall, following expiry of the existing lease in April 2019. We note from our review of minutes that these negotiations are ongoing and will continue to check on the position at future reviews.

Obviously the Covid situation has had an impact on the level of hall hire income receivable in the financial year and, consequently, we have not examined that particular income stream this year.

We have examined the nominal income transaction detail for the year as recorded in the account's software ensuring that, as far as we are reasonably able, no significant miscodings have occurred and that all income due to the Council has been received.

Finally, in this area, we note that, at their meeting on 18th March 2021 the Council agreed to write-off the outstanding sales invoices relating to the Members Club debts with no further amounts remaining unpaid at the financial year-end.

Conclusions

We are pleased to record that no issues of concern have been identified in this area.

Petty Cash Account

We note that, following a few internal control issues last year, the petty cash account was closed with a NIL balance now recorded in the financial ledger.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HMRC legislation in relation to the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme in relation to employee contribution percentages. The monthly payroll is prepared in-house using bespoke software.

At our interim review, we have:

- Obtained detail of the staff in post; their NJC scale point or hourly pay rate, where not on the NJC scale, basic weekly hours, noting that Full time officers work a basic 36 hour week;
- Noted that staff on NJC scales are being paid on the revised scales and salaries applying from 1st April 2020, with arrears backdated to 1st April 2020 duly paid with the October salaries;
- Examined payslips for September and October 2020 to ensure that the correct gross salary payments and arrears calculations have been made and applied;
- Ensured that the correct tax and NI deductions are being applied by reference to the applicable / relevant HMRC tax and NI tables;
- Ensured that, where staff are contributing to the LG pension scheme, the appropriate percentage deductions are being applied; and
- Agreed the physical payments made to staff, HMRC and the LG Pension Fund for September 2020 agreeing detail to individuals' payslips.

Conclusions

We are pleased to report that no matters have been identified in this area this year.

Asset Registers

"The Practitioner's Guide" requires all Councils to maintain a Register of Assets. We are pleased to note that the Council maintains an appropriate register, which has been reviewed and updated to incorporate the few amendments (additions and deletions) during the course of 2020-21, together with the December 2020 revaluation of the Council offices, Victory Hall and cemetery buildings resulting in a significant increase in the value of assets recorded in the year's AGAR, detail of which we have agreed to the comprehensive asset register being maintained.

Conclusions

No issues arise in this area this year warranting formal comment or recommendation, although an appropriate explanation of the reasons for the significant valuation of assets will need to be provided to the external auditors when submitting the year's AGAR.

Investments and Loans

As indicated earlier in this report the Council holds surplus funds in both a Barclays Savers Account, the Cambridge & Counties Building Society and a United Trust Account, all of which are earning interest for the Council, albeit significantly reduced due to the impact of the Covid pandemic. We are pleased to note that, following our 2019-20 recommendation, the Council has prepared and adopted an appropriate Investment Strategy / Policy.

However, we remain concerned that, with over £500,000 held in the combined Barclays accounts, the Council is potentially at a high degree of risk should, albeit unlikely, the bank "fails" and again suggest that the Council should consider further diversification of its surplus funds than just with Cambridge & Counties Building Society and United Trust Bank.

We have previously advised that, whilst we cannot act as financial advisors, several of our clients have placed surplus funds with CCLA in their Deposit Fund Account which has been offering a better rate of interest than most High Street banks and suggested that consideration be given by members to this as one potential option for the future placement of a proportion of the Council's surplus funds. We understand that a further one year bond has been approved with the United Trust Bank, awaiting transfer of funds to the new account. However, given the current financial climate in the light of the Covid situation, we acknowledge that interest rates are minimal currently.

The Council has one outstanding loan repayable half-yearly to PWLB: we have verified the year's two repayment instalments by reference to the PWLB demand as part of our above referenced payment review sample, also verifying the accurate disclosure of the residual loan liability on the AGAR at Section 2, Box 10 by reference to the UK Debt Agency disclosed detail of all town and parish councils' loan debts as at 31st March 2021.

Conclusions

The Council should continue to monitor the investment position with a view to maximising interest earning potential, whilst ensuring public funds are as safeguarded as is possible in the current uncertain times.

Statement of Accounts & AGAR

We are required as part of the internal audit reporting process to provide assurance that the Council's financial records prepared during the year are maintained on the correct accounting basis and are pleased to confirm compliance with that requirement. As a service to the Council and double check on the accuracy of detail presented in the AGAR, we have verified detail to the underlying data in the Omega accounting software.

Conclusions

No issues have been identified in this area this year and, based on the generally satisfactory conclusions drawn from our review programme, we have signed off the Internal audit Certificate in the year's AGAR assigning positive assurances in each relevant area.