

# Annual Internal Audit Report 2021/22

HIMLEY PARISH COUNCIL

www.himleyparishcouncil.co.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).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

1<sup>st</sup> June 2022

DEREK WALKER

Signature of person who carried out the internal audit

Derek Walker

Date 1<sup>st</sup> June 2022

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

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

## Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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

	Agreed		'Yes' means that this authority:
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<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"/>	N/A
		<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.

\*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:

15/06/2022

and recorded as minute reference:

2022 Accounts APPROVAL

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

Chairman

Yvonne P. Nock

Clerk

*[Signature]*

Other information required by the Transparency Code (not part of the Annual Governance Statement)

The authority website/webpage is up to date and the information required by the Transparency Code has been published.

Yes | No

☒ | ☐

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## Section 2 – Accounting Statements 2021/22 for

HIMLEY PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
1. Balances brought forward	25,846	22,470	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	10,750	11,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	3254	—	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	1950	2500	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	—	—	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	15,430	2592	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	22,470	28,378	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	—	—	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	—	—	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	—	—	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A
	NA	NA	NA

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

Date

*[Signature]*

15/06/2022

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

15/6/2022

as recorded in minute reference:

2022 ACCOUNTS APPROVAL

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

*[Signature]* Yvonne P. Nock

## Attachment 1.2

Explanation of significant variances in the accounting statements –  
AGAR Section 2Parish Council name: HIMLEY PARISH COUNCIL

Please explain any variances of more than 15% or anything over £100k between the totals for individual boxes in Section 2. We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. We also ask you to explain any change where there is a movement to or from zero. Please either use the proforma below or complete a separate schedule if more space is required.

Section 2	2020/21 £	2021/22 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10))
Box 2 Precept	10750	11000	+250	Increased precept due to rising costs.
Box 3 Other income	3254	—	-3254	No grants received VAT refund to be completed
Box 4 Staff costs	1950	2500	+550	- Clerk salary increased due to inflation & to bring in line with market rate
Box 5 Loan interest/ capital	—	—	—	—
Box 6 Other payments	15430	2592	12,838	2020/21 Included an insurance claim to replace a swing.

## Certificate of Exemption – AGAR 2021/22 Form 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £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 authority has certified itself as exempt at a meeting of the authority after 31 March 2022 and a completed Certificate of Exemption is submitted no later than **30 June 2022** notifying the external auditor.

HIMLEY PARISH COUNCIL

certifies that during the financial year 2021/22, the higher of the authority'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 authority 2021/22:

11,000

Total annual gross expenditure for the authority 2021/22:

5092

There are certain circumstances in which an authority will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If an authority 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 3 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:

- 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 authority or any entity connected with it
  - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
  - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has 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 authority 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, Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on the authority website/webpage\* before 1 July 2022.

**By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer

Date

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

15/6/2022

15/6/2022

Signed by Chairman

Date

as recorded in minute reference:

Yvonne P. Node

15.06.2022

2022 ACCOUNTS APPROVAL

Generic email address of Authority

Telephone number

himleypaishcouncil@gmail.com

01902 896963

\*Published web address

www.himleypaishcouncil.co.uk

**ONLY 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**

## Attachment 3.2

Local council name: HIMLEY PARISH COUNCIL

### Notice of appointment of date for the exercise of public rights

Accounts for the year ended 31<sup>st</sup> March 2022

The Local Audit and Accountability Act 2014, and  
The Accounts and Audit (England) Regulations 2015 (SI 234)

<p>1. Date of announcement: <u>16/6/2022</u></p> <p>2. Any person interested has the right to inspect and make copies of the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them. For the year ended 31 March 2022 these documents will be available on reasonable notice on application to:</p> <p>(b) <u>himleyparishcouncil@gmail.com</u></p> <p>commencing on (c) <u>16/6/2022</u></p> <p>and ending on (d) <u>27/7/2022</u></p> <p>3. Local Government Electors and their representatives also have:</p> <ul style="list-style-type: none"> <li>the opportunity to question the auditor about the accounts; and</li> <li>the right to make objections to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Authority (f).</li> </ul> <p>The auditor can be contacted at the address in paragraph 4 below for this purpose during the inspection period at 2 above.</p> <p>4. The auditor complies with the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit (England) Regulations 2015 and the National Audit Office' Code of Audit Practice. Your appointed auditor is:</p> <p>Mazars LLP, The Corner, Bank Chambers, 26 Mosley Street, Newcastle upon Tyne, NE1 1DF Email: <a href="mailto:local.councils@mazars.co.uk">local.councils@mazars.co.uk</a></p> <p>5. This announcement is made by (e) <u>S. FARLEY</u></p>	<p>(a) Insert date of placing of this notice on your website.</p> <p>(b) Insert name, position and contact details of the Clerk or other person to whom any person may apply to inspect the accounts.</p> <p>(c) And</p> <p>(d) The inspection period must be 30 working days in total and commence no later than 1 July 2022.</p> <p>(e) Insert name and position of person placing the notice</p>
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## Attachment 2

Local Council name: HIMLEY PARISH COUNCIL

## Confirmation of contact details

Please confirm the contact details for the Clerk, RFO (if not the clerk) and Chair, to assist us in ensuring that our records are kept up to date:

Clerk's name: <u>S. FARLEY</u>	RFO's name (if not clerk): .....	Chair's name: <u>Y P NOCK</u>
Clerk working hours (e.g. Mon-Fri 9-5pm): <u>1-5pm Mon-Fri</u>	RFO working hours (e.g. Mon-Fri 9-5pm): .....	
Parish Council registered address: <u>11 REDCLIFFE DR</u> <u>WOMBOURNE</u> <u>WVS OTE</u>	Parish Council registered address: .....	Chair contact postal and email address: <u>11 PLANTATION LANE</u> <u>HIMLEY</u> <u>CV13 4LL</u>  Email: <u>himleyparishcouncil</u> <u>@gmail.com</u>
Telephone: Primary contact number: <u>01902 896963</u> Mobile/Alternative number: .....	Telephone: Primary contact number: ..... Mobile/Alternative number: .....	Telephone: Primary contact number: <u>01902 896447</u> Mobile/Alternative number: .....
Generic e-mail address for the Authority (please only provide a personal e-mail address if the clerk / RFO does not have access to a generic e-mail account). <u>himleyparishcouncil@gmail.com</u>		

Please return this form together with the

Annual Governance &amp; Accountability Return and other information requested.

Auditor Mr D Walker, 01902 883931  
derek-walker@talktalk.net.

HIMLEY PARISH COUNCIL ACCOUNTS 1.4.2021 - 31.3.2022									
INCOME		EXPENDITURE							
		Expenditure details	Cheque No	Total	Admin	VAT	Insurance	Donations	Playing fields
Brought Forward									
27.04.2021 SSDC	22470.03	6/4/21 SSDC Q3 PLAYING FIELD	100486	39.72					
27.09.2021 SSDC	5500.00	29/4/21 STATIONARY - CLERK	100499	62.61	52.61				33.10
	5500.00	7/5/21 ZURICH INSURANCE	100500	650.40			550.40		
		2/6/21 HIMLEY CRICKET CLUB - ROOM HIRE	100501	30.00	25.00				
		24/6/21 S FARLEY AUDITOR GIFT	100503	25.00					
		24/6/21 S FARLEY WAGES	100504	600.00	500.00				
		24/6/21 HMRC - CLERK TAX	100505	125.00	125.00				
		30/7/21 SSDC Q4 PLAYING FIELD	100507	24.36		4.06			20.30
		30/7/21 HIMLEY CRICKET CLUB -ROOM HIRE	100506	60.00					
		17/8/21 Y P NOCK PLAYING FIELD SIGN	100502	4.80		0.80			4.00
		22/9/21 S FARLEY WAGES	100512	600.00	500.00				
		27/9/21 HMRC - CLERK TAX	100513	125.00	125.00				
		28/9/21 ROSPA PLAYING FIELD INSPECTION	100508	86.40		14.40			
		1/10/21 NOTICEBOARD BASE	100511	73.00					
		14/10/21 Y P NOCK LITTER PICKERS	100510	13.99					13.99
		24/11/21 KINVER BRITISH LEGION DONATION	100514	26.00		30.00			25.00
		6/12/21 SSDC Q1 & Q2 PLAYING FIELD	100515	179.99	125.00				149.99
		17/12/21 HMRC - CLERK TAX	100517	125.00					
		20/12/21 S FARLEY POSTAGE COSTS	100518	27.10	27.10				
		20/12/21 S FARLEY WAGES	100516	600.00	500.00				
		10/1/22 HSBC BANK CHARGES	AUTO DR	11.00					
		12/1/22 SWINDON ROOM HIRE DONATION	100519	40.00					
		4/2/22 SSDC EXTRA JOBS	100520	1253.44		208.91			1044.53
		10/2/22 HSBC BANK CHARGES	AUTO DR	11.00					
		28/2/22 YP NOCK WEBSITE ANNUAL FEES	100521	76.00	75.00				
		13/3/22 HSBC BANK CHARGES	AUTO DR	9.00					
		23/3/22 HMRC -CLERK TAX	100523	125.00	125.00				
		25/3/22 S FARLEY WAGES	100522	600.00	500.00				
BAL IN HAND	33470.03	TOTALS		6091.81	2709.71	234.79	660.40		25.00
Less expenditure	5091.81								1410.91
NET INCOME FOR 2021/22 / BAL CFWD	28378.22								
HSBC BANK BALANCE @ 31/3/2022	28378.22								
Fixed Asset Register	Purchase Price	Date Purchased							
Play equipment	£36000	Feb 2017							
Ipad	£394	May 2016							
Notice board Gospel End	£955	May 2016							
Notice board Baggeridge Village	£1185	Dec 2017							
Note: Bench, bus shelters & notice board in Himley purchased >10yrs ago - no values known									

## Attachment 1.1

## Bank reconciliation – Example

This reconciliation must include all bank and building society accounts and other short-term investments\*. It must agree to Box 8 in the column headed "Year ending 31 March 2022" in Section 2 of the Annual Return. It will also agree to Box 7 where the accounts are prepared on a receipts and payments (cash) basis, but not when an income and expenditure basis is used.

Parish Council Name HIMLEY PARISH COUNCIL

Financial year ending 31 March 2022

Prepared by S. FARLEY (CLERK) (Name and Position) Date 15/6/2022

Balance per bank statements as at 31 March 2022:

e.g. Current account

£ 28,378.22

High interest account

Building society premium a/c

Petty cash float (if applicable)

Less: any unpresented cheques at 31 March 2022 (normally only current account)

Cheque number

Add: any un-banked cash at 31 March 2022

e.g. Allotment rents banked 31 March 2022 (but not credited until 1 April)

Net balances as at 31 March 2022

£ 28,378.22

*The net balances reconcile to the Cash Book (a receipts and payments account, which should be maintained even if your authority uses income and expenditure accounting) for the year, as follows:*

## CASH BOOK

Opening Balance 1 April 2021

Add: Receipts in the year

Less: Payments in the year

Closing balance per cash book [receipts and payments book] as at 31 March 2022 (must equal net balances above)

22470.03

11000.00

5091.81

28,378.22