

# Annual Audit 2022-2023

The following financial documents were submitted to the council's appointed Internal Auditors SALC (**Min.23.01.9.1**) in April and reported to the Parish Council at its April Meeting (Report **WPC.23.04.03** refers).

- Bank reconciliation to 31<sup>st</sup> March 2022
- Year End accounts for financial year 2022-2023
- Financial Risk Assessment
- Draft Part 3 Agar submission
- Explanation of significant variances

The Annual Audit has now been completed by the council's appointed Internal Auditors and their report is attached as **Appendix A** to this report.

The reported noted that that Council continued to maintain effective governance arrangements including a robust framework of financial administration and internal controls. Comments made in the report are attached in a table at **Appendix B** to this report.

The following recommendations were made which require action on the part of either the Council or the Council's Responsible Finance Officer:

## **Recommendation:**

**Council should look toward adopting further documentation to support its GDPR responsibilities. These could include General Privacy Notice, Subject Access Request Policy (SAR), Handling Data etc.**

The Council's reviewed Financial Risk Assessment as adopted at its meeting on 26<sup>th</sup> April (Min. 23.04.12 refers) is attached as **Appendix C**.

The Council's accounts for the 12 months to 31<sup>st</sup> March 2023 are attached as **Appendix D**.

The Council's Annual Governance Statement is attached to this report as follows:

- Section 1 – **Appendix E**
- Section 2 – **Appendix F**

A summary of significant variations is attached as **Appendix G** to this report.

The period for public inspection of the Annual Accounts will be between Monday 19 June – Friday 28 July 2022 and a notice will be published and posted to that effect.

Hilary Workman  
Clerk & RFO  
May 2023

## **Internal Audit Report for Wickhambrook Parish Council for the period ending 31 March 2023**

|                    |                 |
|--------------------|-----------------|
| Clerk              | Hilary Workman  |
| RFO (if different) | As above        |
| Chairperson        | Mike Lavelle    |
| Precept            | £ 38,413.00     |
| Income             | £ 63,228.59     |
| Expenditure        | £ 74,725.92     |
| General reserves   | £ 7,371.27      |
| Earmarked reserves | £ 19,960.00     |
| Audit type         | Annual          |
| Auditor name       | Mrs Julie Lawes |

### **Introduction**

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources

- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

## Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2022/23 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

| <b>Section 1 – proper bookkeeping</b>  |     |   |
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| The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified. |     |   |
| <b>Evidence</b>  |     | <i>Internal auditor commentary</i>  |
| <i>Is the ledger maintained and up to date?</i>  | YES | The council uses an excel spreadsheet to form the basis of their accounting system detailing receipts and payments ensuring that the financial transactions of the parish council are accurately recorded.  |
| <i>Is the cash book up to date and regularly verified?</i>   | YES | The cash book provides good evidence to support the council’s underlying statements. Regular reports are generated and circulated to councillors detailing expenditure and income and the accounts reconciled to the bank statements showing good internal control. |
| <i>Is the arithmetic correct?</i>  | YES | The accounts were spot checked and were all found to be correct.  |
| <b>Additional comments:</b>  |     |   |

| <b>Section 2 – Financial Regulation and Standing Orders</b>   |     |  |
|---|-----|--|
| The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes. |     |  |
| <b>Evidence</b>   |     | <i>Internal auditor commentary</i>   |
| Have Standing Orders been adopted, up to date and reviewed annually?  | YES | At a meeting on 26 <sup>th</sup> May 2022 the council carried out an annual review of its Standing Orders, these are available to view on the council's website and are based on the Model Standing Orders produced by NALC IN 2018.   |
| Are Financial Regulations up to date and reviewed annually?   | YES | Financial Regulations were reviewed and agreed at a council meeting held 26 <sup>th</sup> May 2022. These are available to view on the council's website and are based on the NALC Model Financial Regulations 2019.   |
| Has the Council properly tailored the Financial Regulations?  | YES | The Financial Regulations have been tailored to the council.   |
| Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>   | YES | In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), at a meeting held 12 <sup>th</sup> January 2023, the council approved the clerk to be the Responsible Financial Officer as per the council's own Financial Regulations (1.8) which state that the Clerk is the RFO. |
| <b><i>Additional comments:</i></b>  |     |  |

<sup>1</sup> Section 151 Local Government Act 1972 (d)

| <b>Section 3 – Payment controls</b>   |     |   |
|---|-----|---|
| The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed. |     |   |
| <b>Evidence</b>   |     | <i>Internal auditor commentary</i>  |
| Is there supporting paperwork for payments with appropriate authorisation?  | YES | A selection of expenditure items was made, and cross checked against the cash book, invoices and bank statements. A list of payments is presented to councillors ensure formal approval of expenditure and this is correctly minuted. This demonstrates good practice in that there are measures in place that help safeguard public money.   |
| Where applicable, are internet banking transactions properly recorded and approved?   | YES | A schedule of payments to be made is issued to councillors prior to the meeting. Councils Financial Risk Assessment states the council appoints two councillors (who are not cheque signatories) to verify the schedule of payments made from the internet banking account against sample invoices selected at random on a regular basis.<br><br>The minutes taken from the Annual Meeting held 26 <sup>th</sup> May 2022 detail four councillors having authorisation to the council's accounts and a further two being able to view only. |
| Is VAT correctly identified, recorded, and claimed within time limits?  | YES | VAT is clearly identified in the cash book with 12 submissions made throughout the year, with a year-end total of £6697.71 being claimed from HMRC. As recorded in the councils accounts.<br><br>Evidence of the submissions was provided to the Internal Auditor. This is also recorded within the councils minutes.   |

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| Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup> | N/A | The council has not adopted the General Power of Competence.  |
| Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?          | YES | An allocation of £450.00 s137 payments was approved by council. Council recorded and noted the in the minutes the increase in the value of s137 allocation per resident ensuring it does not exceed the allowed limit per elector. Payments are recorded in the council minutes and also within the accounts. |
| Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?              | N/A | The council has no loans.   |
| <b>Additional comments:</b>  |     |   |

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| <b>Section 4 – Risk management</b>  |     |  |
| The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council. |     |  |
| <b>Evidence</b>   |     | Internal auditor commentary  |
| <i>Is there evidence of risk assessment documentation?</i>  | YES | The Financial Risk Assessment was approved at a meeting held 7 <sup>th</sup> April 2022, with the Risk Management Policy and supporting Risk Assessment then being reviewed and approved again at a meeting held 12 <sup>th</sup> January 2023. These are published on the councils website. |

<sup>2</sup> Localism Act

<sup>3</sup> Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £8.82 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

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| <i>Is there evidence that risks are being identified and managed?</i>   | YES | The council has taken steps to identify, assess and record the risks associated with its actions and decisions that could have financial or reputational consequences.  |
| <i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>                                       | YES | Council has insurance in place under a Zurich Municipal Policy which shows core cover for the following: Public liability: £12m; Products Liability: £10m; Employers Liability £10m; Fidelity Guarantee £250k; Premises Cover for Cemetery / Chapel £166,012.00.<br>At a meeting held 24 <sup>th</sup> February 2022 full council reviewed the insurance cover and approved the insurer.<br>The level of Fidelity Guarantee meets the recommended guidelines which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.  |
| <i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>  | YES | At a full council meeting on 29 <sup>th</sup> September 2022, it was evidenced that the council reviewed the Internal Control Check and Statement of Internal Control in accordance with the Accounts and Audit Regulations 2015. These were then again reviewed on 24 <sup>th</sup> November 2022 and 12 <sup>th</sup> January 2023 with the Chair confirming the systems in place provided adequate control. This clearly demonstrates public finances are adequately protected and managed and evidence necessary steps have been taken to mitigate any risks identified. Documentation to support control procedures adopted by the council for payments helps protect the RFO and fulfils an internal control objective. These are published on the council's website. |
| <i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment<sup>5</sup></i> | YES | The council reviewed the effectiveness of the internal audit within its review of internal controls, this was carried out and recorded at the council meetings held August, November and January.<br>By reviewing the terms of reference and effectiveness for internal audit the council would follow guidance and demonstrate that it recognises that the   |

<sup>4</sup> Accounts and Audit Regulations

<sup>5</sup> Practitioners Guide

|                                    |  |  |
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|                                    |  | function of internal audit is to test and report to the authority on whether its system of internal control is adequate. |
| <b><i>Additional comments:</i></b> |  |  |

| <b>Section 5 – Budgetary controls</b>   |     |  |
|---|-----|--|
| The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed                 |     |  |
| <b>Evidence</b>   |     | Internal auditor commentary  |
| <i>Verify that budget has been properly prepared and agreed</i>   | YES | The budget for 2022/2023 was considered at a meeting held 25 <sup>th</sup> November 2021 and then agreed and set at a meeting of full council on 13 <sup>th</sup> January 2022.  |
| <i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>   | YES | The precept for 2022/2023 was set at £38,413 and formally approved at a meeting of full council on 13 <sup>th</sup> January 2022.  |
| <i>Regular reporting of expenditure and variances from budget</i>   | YES | Regular reporting of expenditure v budget is conducted by the council with details provided in council minutes   |
| <i>Reserves held – general and earmarked<sup>6</sup></i>  | YES | The councils accounts show a general reserve of £7,371.27 and an earmarked reserve of £19,960.00.<br>Council is aware of the guidance as issued by Proper Practices which states that it is regarded as acceptable for a council’s general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves adopted is in accordance with its General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually). |
| <b>Additional comments:</b><br>Budget: Council shows good practice by following the recommended key stages as to the budgetary process to be followed for the year:   |     |  |
| <ul style="list-style-type: none"> <li>• decide the form and level of detail of the budget;</li> <li>• review the current year budget and spending;</li> <li>• determine the cost of spending plans;</li> <li>• assess levels of income;</li> </ul> |     |  |

<sup>6</sup> In accordance with proper practices, the generally accepted minimum level of a Smaller Authority’s General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

- bring together spending and income plans;
- provide for contingencies and consider the need for reserves;
- approve the budget;
- confirm the precept or rates and special levies; and
- review progress against the budget regularly throughout the year.

| <b>Section 6 – income controls</b>   |     |  |
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| The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this. |     |  |
| <b>Evidence</b>  |     | Internal auditor commentary  |
| <i>Is income properly recorded and promptly banked?</i>  | YES | Income is recorded in accordance with Council’s Financial Regulations. A number of income items were cross checked against the cash book and bank statements and found to be in order. |
| <i>Is income reported to full council?</i>   | YES | Income is reported to full council and recorded within the minutes.  |
| <i>Does the precept recorded agree to the Council Tax Authority’s notification?</i>  | YES | The receipt of the precept to the value of £38,413 was received in accordance with the precept demand submitted.   |
| <i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>   | N/A | The council does not hold any CIL payments.  |
| <i>Is CIL income reported to the council?</i>  | N/A |  |
| <i>Does unspent CIL income form part of earmarked reserves?</i>  | N/A |  |
| <i>Has an annual report been produced?</i>   | N/A |  |
| <i>Has it been published on the authority’s website?</i>   | N/A |  |
| <b>Additional comments:</b>  |     |  |

<sup>7</sup> Community Infrastructure Levy Regulations 2010

| <b>Section 7 – petty cash</b>   |     |   |
|---|-----|---|
| The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date. |     |   |
| <b>Evidence</b>   |     | Internal auditor commentary                       |
| <i>Is petty cash in operation?</i>  | N/A | The council does not operate a petty cash system. |
| <i>If appropriate, is there an adequate control system in place?</i>  | N/A |   |
| <b>Additional comments:</b>   |     |   |

| <b>Section 8 – Payroll controls</b>   |     |   |
|---|-----|---|
| The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips. |     |   |
| <b>Evidence</b>   |     | Internal auditor commentary   |
| <i>Do all employees have contracts of employment?</i>   | YES | Employment contracts were not reviewed during the internal audit which was carried out remotely.<br>Evidence was provided of a recent pay review, increasing the clerks hours, approving back pay and increasing the scale point on the NALC salary award following completion of the CILCA.<br>The clerk is not paid minimum wage. |
| <i>Has the Council approved salary paid?</i>  | YES |   |
| <i>Minimum wage paid?</i>   | N/A |   |
| <i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>  | YES | The payroll function is operated in accordance with HM Revenue and Custom guidelines. There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.              |
| <i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>   | YES | The payroll function for the year under review was carried out by SALC and is operated in accordance with HM Revenue and Customs guidelines. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.  |
| <i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>  | YES | Council completed its re-declaration of compliance in December 2022.  |
| <i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>  | YES | Council approves all expenses as and when occurred.   |
| <b>Additional comments:</b><br>There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.                   |     |   |

<sup>8</sup> The Pension Regulator – [website click here](#)

| <b>Section 9 – Asset control</b>   |     |   |
|--|-----|---|
| <p>The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.</p> |     |   |
| <b>Evidence</b>  |     | Internal auditor commentary   |
| <i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>  | YES | The Asset Register was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end 31 <sup>st</sup> March 2023) was £326,341. |
| <i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>   | YES |   |
| <i>Are records of deeds, articles, land registry title number available?</i>   | N/A |   |
| <i>Is the asset register up to date and reviewed annually?</i>   | YES | The Asset Register was reviewed by council on the 28 <sup>th</sup> April 2022. The council then reviewed and approved the inventory of land and other assets at a meeting held 26 <sup>th</sup> May 2022.   |
| <i>Cross checking of insurance cover</i>   | YES | At meetings of council held 28 <sup>th</sup> April and 26 <sup>th</sup> May 2022, council reviewed its assets and its insurance cover.  |
| <b>Additional comments:</b>  |     |   |

<sup>9</sup> Practitioners Guide

| <b>Section 10 – bank reconciliation</b>   |     |   |
|---|-----|---|
| The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation. |     |   |
| <b>Evidence</b>   |     | Internal auditor commentary   |
| <i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>  | YES | Bank Reconciliations are reported to full council bi-monthly with the Chairman approving the reconciliations and bank balances.   |
| <i>Do bank balances agree with bank statements?</i>   | YES | Bank balances agree with period end statements and, as at year end 31st March 2023 the balance across the council's accounts stood at £27,331.27 which is in accordance with the figure stated in Section 2 of the Accounting Statements for 2022-2023.<br>Unity Trust Current Account £7,281.97<br>Unity Trust IS Account £20,049.30 |
| <i>Is there regular reporting of bank balances at Council meetings?</i>   | YES | Account balances are recorded as correct on a bi-monthly basis and approved by the Chairman at full council meetings. This is recorded as actioned within the minutes. This is not only good practice but also is a safeguard for the RFO and fulfils one of the authority's internal control objectives.                             |
| <b>Additional comments:</b>   |     |   |

| <b>Section 11 – year end procedures</b>  |     |  |
|--|-----|--|
| <b>Evidence</b>  |     | <i>Internal auditor commentary</i>   |
| <i>Are appropriate accounting procedures used?</i>   | YES | The accounts are produced on receipts and expenditure basis.   |
| <i>Financial trail from records to presented accounts</i>  | YES | There is a clear financial trail from budgeting, invoice, authorisation, payment and banking.  |
| <i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>   | YES | As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. This was presented to the auditor but not yet signed.  |
| <i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>   | N/A | The Parish Council does not meet the exemption criteria due to having income and expenditure exceeding £25,000.  |
| <i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i> | YES | The dates for the exercise of public rights were set as Monday 20 <sup>th</sup> June to Friday 29 <sup>th</sup> July 2022 which included the mandatory first 10 working days of July. This was then evidenced on the council's website with the notice publicised.   |
| <i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>   | YES | The Council complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 but not exceeding £6.5 million for the year ending 31 March 2022 and published the following on a public website: <ul style="list-style-type: none"> <li>• Internal Audit Report of the AGAR</li> <li>• Section 1 – Annual Governance Statement of the AGAR</li> <li>• Section 2 – Annual Accounting Statements of the AGAR</li> <li>• Section 3 – External Audit Report and Certificate.</li> </ul> |

<sup>10</sup> Annual Governance & Accountability Return (AGAR)

<sup>11</sup> Accounts and Audit Regulations 2015

|                                    |  |  |
|------------------------------------|--|--|
|                                    |  | <ul style="list-style-type: none"><li>• Notice of the period for the exercise of public rights</li><li>• Notice of the Conclusion of the Audit</li></ul> |
| <b><i>Additional comments:</i></b> |  |  |

| <b>Section 12 – internal audit</b>  |     |   |
|---|-----|---|
| The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken. |     |   |
| <b>Evidence</b>   |     | <i>Internal auditor commentary</i>  |
| <i>Has the Council considered the previous internal audit report?</i>   | YES | The Internal Audit Report was considered by full council at a meeting held 28 <sup>th</sup> July 2022 at which the recommendations were noted for action. |
| <i>Has appropriate action been taken regarding the recommendations raised?</i>  | YES | Appropriate action has been taken.  |
| <i>Has the Council confirmed the appointment of an internal auditor?</i>  | YES | The council confirmed the appointment of the Internal Auditor for the period under review at a meeting held 12 <sup>TH</sup> January 2023.                |
| <b>Additional comments:</b>   |     |   |

| <b>Section 13 – external audit for the period under review</b>  |     |   |
|---|-----|---|
| The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered. |     |   |
| <b>Evidence</b>   |     | <i>Internal auditor commentary</i>                |
| <i>Has the Council considered the previous external audit report?<sup>12</sup></i>                                      | YES | No issues were raised within the external report. |
| <i>Has appropriate action been taken regarding the comments raised?</i>   | N/A | As above  |
| <b>Additional comments:</b>   |     |   |

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<sup>12</sup> Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*

| <b>Section 14 – additional information</b>  |                   |  |
|---|-------------------|--|
| The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations. |                   |  |
| <b>Evidence</b>   |                   | <i>Internal auditor commentary</i>   |
| <i>Was the annual meeting held in accordance with legislation?</i> <sup>13</sup>  | YES               | The Annual Parish Council Meeting was held 26 <sup>TH</sup> May 2022 with its first item on the agenda the election of the Chairman and signing of the Declaration of Acceptance of Office as specified in the councils Standing Orders.   |
| <i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>14</sup>  | YES               | Council has a page and agenda numbering system with minutes signed and dated as a true record of the meeting held.   |
| <i>Is there a list of members' interests held?</i>  | YES               | Evidence was seen on the District Authority's Website of the Register of Interests for current Parish Councillors.   |
| <i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>  | N/A               | The Council has no Trustee responsibilities.   |
| <i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>  | YES               | Councils with income over £25,000 but under £200,00 will be expected (but are not legally required to do so) to follow the Local Government Transparency Code 2015 (turnover exceeding £200,000). Council is working towards ensuring compliance with the requirements under the Transparency Code 2015. |
| <i>Has the Council registered with the Information Commissioner's Office (ICO)?</i> <sup>15</sup>   | YES               | The Council is registered with the ICO as a data controller. Registration Certificate ZA074439 expiry date 14 <sup>th</sup> September 2023.  |
| <i>Is the Council compliant with the General Data Protection Regulation requirements?</i>   | <i>Partly Met</i> | The council has taken steps to ensure compliancy. Documents detailed on the council's website include, but are not limited to: <ul style="list-style-type: none"> <li>• Data Protection Policy</li> <li>• Document Retention and Disposal Policy</li> <li>• Media Policy</li> </ul>                      |

<sup>13</sup> The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

<sup>14</sup> Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

<sup>15</sup> Data Protection Act 2018

|  |     |   |
|--|-----|---|
|  |     | <ul style="list-style-type: none"> <li>• Publication Scheme</li> <li>• Requests for Information Policy</li> <li>• Safeguarding Policy</li> <li>• Social Media Policy</li> </ul> <p><b>RECOMMENDATION:</b> Council should look toward adopting further documentation to support its GDPR responsibilities. These could include General Privacy Notice, Subject Access Request Policy (SAR), Handling Data etc.</p> |
| <i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>16</sup></i> | YES | The council has published a Website Accessibility Statement.  |
| <i>Does the council have official email addresses for correspondence?<sup>17</sup></i>                                     | YES | Clerk and Councillor email addresses are all directly linked to the Parish Council.   |
| <i>Is there evidence that electronic files are backed up?</i>  | N/A | Unable to confirm due to virtual audit.   |
| <i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>                  | YES | The Parish Council reviewed and adopted its Terms of Reference for the Estates Committee at a meeting held 26 <sup>th</sup> May 2022.   |
| <b>Additional comments:</b>  |     |   |

Signed: *J. Lawes*

Date of Internal Audit Visit:

Date of Internal Audit Report: 24/04/2023

On behalf of Suffolk Association of Local Councils

<sup>16</sup> Website Accessibility Regulations 2018

<sup>17</sup> Practitioners Guide

| Section  | Standard  | Internal Auditor Advice and Recommendations | Action |
|--|---|---|--------|
| 1.   | <b>Proper Bookkeeping</b><br>The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.   | n/a   | n/a    |
| 2.   | <b>Financial Regulation and Standing Orders</b><br>The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.  | n/a   | n/a    |
| 3.   | <b>Payment controls</b><br>The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed | n/a   | n/a    |
| 4.   | <b>Risk management</b><br>The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council  | n/a   | n/a    |
| 5.   | <b>Budgetary controls</b><br>The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed  | n/a   | n/a    |
| <p><b>Additional Comments</b></p> <p>Budget: Council shows good practice by following the recommended key stages as to the budgetary process to be followed for the year:</p> <ul style="list-style-type: none"> <li>• decide the form and level of detail of the budget;</li> <li>• review the current year budget and spending;</li> <li>• determine the cost of spending plans;</li> <li>• assess levels of income;</li> <li>• bring together spending and income plans;</li> <li>• provide for contingencies and consider the need for reserves;</li> <li>• approve the budget;</li> </ul> |   |   |        |

| Section  | Standard  | Internal Auditor Advice and Recommendations  | Action |
|--|---|--|--------|
|  | <ul style="list-style-type: none"> <li>confirm the precept or rates and special levies; and</li> <li>review progress against the budget regularly throughout the year.</li> </ul>   |  |        |
| 6.   | <b>Income controls</b><br>The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.  | n/a  | n/a    |
| 7.   | <b>Petty cash</b><br>The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.  | n/a  | n/a    |
| 8.   | <b>Payroll controls</b><br>The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.  | n/a  | n/a    |
| <b>Additional comments:</b>  |   |  |        |
| There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation. |   |  |        |
| 9.   | <b>Asset control</b><br>The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval. | n/a  | n/a    |
| 10.  | <b>Bank reconciliation</b><br>The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.   | n/a  | n/a    |
| 11.  | <b>Year end procedures</b>  | n/a  | n/a    |
| 12.  | <b>Internal audit</b><br>The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.  | Appropriate action has been taken regarding the recommendations of previous internal audit | n/a    |
| 13.  | <b>External audit for the period under review</b><br>The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered   | No issues were raised within the external report   | n/a    |

| Section | Standard   | Internal Auditor Advice and Recommendations   | Action   |
|---------|--|---|--|
| 14.     | <p><b>Additional information</b><br/>The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.</p> | <p>The council has taken steps to ensure compliancy. Documents detailed on the council’s website include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Data Protection Policy</li> <li>• Document Retention and Disposal Policy</li> <li>• Media Policy</li> <li>• Publication Scheme</li> <li>• Requests for Information Policy</li> <li>• Safeguarding Policy</li> <li>• Social Media Policy</li> </ul> <p><b>RECOMMENDATION:<br/>Council should look toward adopting further documentation to support its GDPR responsibilities. These could include General Privacy Notice, Subject Access Request Policy (SAR), Handling Data etc.</b></p> | <p>A General Privacy Notice is:</p> <ul style="list-style-type: none"> <li>• published as a link on the website</li> <li>• included in a link as a footer to all e-mail correspondence from the clerk</li> <li>• published on all volunteer sign up forms and invoices from the parish council.</li> </ul> <p>The clerk will take steps to publish the General Privacy Notice as a document on the website and look toward adopting the following additional policies:</p> <ul style="list-style-type: none"> <li>• Subject Access Request Policy</li> <li>• Handling Data policy</li> </ul> |

Wickhambrook Parish Council  
ENTER NAME OF AUTHORITY

https://wickhambrook.org/parish-council/documents/  
ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")  |     |     | ✓              |
| L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.   | ✓   |     |                |
| M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set). | ✓   |     |                |
| N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).   | ✓   |     |                |
| <b>O. (For local councils only)</b><br>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

24/04/2023 DD/MM/YYYY DD/MM/YYYY

Name of person who carried out the internal audit

Mrs Julie Lawes (on behalf of SALC)R

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

24/04/2023

\*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).

## Financial Risk Assessment 2023 - 2024

| Topic                                     | Risk Identified   | Risk Level<br>H/M/L | Management of Risk   | Staff action                           |
|---|---|---------------------|--|--|
| <b>Assets</b>                             | Loss, Damage etc  | M                   | Annual inspection, update insurance and asset registers  | Diary                                  |
|   | Risk or damage to third party property or individuals         | M                   | Review adequacy of Public Liability Insurance  | Diary                                  |
|   | Loss of financial assets                                      | L                   | The Council advises its insurers and introduces such further safeguards, such as increased fidelity insurance, as may be required by the Insurers. | RFO to advise                          |
| <b>Direct Costs and overhead expenses</b> | Goods not supplied to Council                                 | M                   | Follow up on all orders<br>Where items to be delivered to a third party – check receipt  | Approval check                         |
|   | Invoice incorrectly calculated or recorded                    | L                   | Check arithmetic on invoices and perform bank reconciliations on at least bi-monthly basis   | Clerk to undertake<br>Member to verify |
|   | Cheque payable is excessive or to wrong party                 | L                   | Signatory initials Stub & Voucher<br>Check bank details on bottom of invoice each time before payment and update where necessary                   | Approval check                         |
|   | BACs payment is excessive or to wrong party                   | M                   | Invoices available to ClIrs in pdf format with Agenda.<br>Authorised signatories to check payment transaction against invoice before approving.    | Members to verify                      |
| <b>Election Costs</b>                     | Invoice at agreed rate  | L                   | RFO check and consider budget<br>Reserves to be built over four year period to cover anticipated contested election costs                          | RFO verify                             |
| <b>Financial Records</b>                  | Inadequate Records  | L                   | RFO/Clerk check annual & internal audit review<br>RFO/Clerk to ensure receipts where invoices not available  | Diary                                  |
| <b>Grants &amp; support</b>               | No power to pay or no evidence of agreement of Council to pay | M                   | Minute Council agreement with the power used to authorize payment  | RFO check<br>Member verify             |
|   | Claims procedure  | M                   | Clerk/RFO check as required  | Diary                                  |
|   | Receipt of grant when due                                     | M                   | Clerk/RFO check as required  | Diary                                  |

## Financial Risk Assessment 2023 - 2024

| Topic                    | Risk Identified  | Risk Level<br>H/M/L | Management of Risk   | Staff action  |
|--------------------------|--|---------------------|--|---|
| <b>Internet Banking</b>  | BACs Payments of Invoices  | L                   | The Council appoints two Councillors (who are not cheque signatories) to verify the schedule of payments made from the internet banking account against sample invoices selected at random on a regular basis.   | RFO makes schedule of payments available to Cllrs by pdf doc prior to each ordinary meeting   |
|                          | Access codes & passwords   | M                   | The internet banking access codes and passwords are retained securely by the Clerk/RFO and no internet banking is undertaken on a computer to which the public have access.  | Computers are password protected and hard copies kept in locked filing cabinet. Passwords stored securely on LastPass software which is also password protected.            |
|                          | Online security  | M                   | The Council installs, and keeps updated, anti-virus software on all computers used for Internet Banking.   | Clerk to check parish laptops and that Cllrs have virus software on their computers   |
| <b>Investment Income</b> | Receipt when due   | L                   | Clerk/RFO check as required – no current investment income   | n/a   |
|                          | Surplus funds  | L                   | Review levels and investment policy annually – no current investment income  | n/a   |
| <b>Legal Powers</b>      | Illegal activity or payment  | M                   | Educate councillors as to their legal powers<br>RFO to identify power for spend when items are identified in reports for authorisation   | RFO to check powers when preparing report<br>Updating of Financial Standing orders annually   |
| <b>Loss</b>              | Consequential loss due to critical damage or 3 <sup>rd</sup> Party performance | L                   | Review adequacy of insurance cover   | Diary   |
| <b>Maintenance</b>       | Reduced value of assets or amenities – loss of income or performance           | M                   | Annual Maintenance Inspection  | Diary   |
| <b>Members Interests</b> | Conflict of Interest   | M                   | Ensure register of interests is completed and up to date<br>Link to Register of Interests to be available on website<br>Declarations of interest and any exclusion of members from relevant agenda items to be documented in minutes.<br>Ensure adequate funds set aside for Cllr Training | Diary<br>Ensure members leave room when item under discussion or dispensation has been approved.<br>Ensure minute records when Cllrs leave room for the avoidance of doubt. |

## Financial Risk Assessment 2023 - 2024

| Topic                       | Risk Identified     | Risk Level<br>H/M/L | Management of Risk  | Staff action   |
|-----------------------------|---------------------|---------------------|---|--|
|                             |                     |                     | Ensure Cllrs undertake training and understand their role and obligations under new Suffolk Code of Conduct   |  |
| <b>Minutes</b>              | Accurate & Legal    | L                   | Timely preparation of minutes<br>Review at following meeting<br>Ensure consecutively numbered   | Diary  |
| <b>Other Income</b>         | Cash handling       | L                   | There is no cash handling – all payments are now done by means of submission of an expenses claim and receipts  | n.b. Careful attention to ensure receipts attached to claims and where multiple items on receipt, specific item highlighted.<br>Ensure timely quarterly submission of expenses claims. |
|                             | Banking             | L                   | Segregate duties.<br>Check to bank statements.<br>Monthly bank reconciliations<br>Move to online banking has enabled regular checking of transactions and monthly reconciliations | The Clerk has increased the regularity of Bank Reconciliations (imonthly, which are published on the agenda)   |
|                             | From Cemetery       | M                   | Burial Register updated for grave allocations as required.<br>Check of burial register to invoices to undertakers.<br>Check of memorial fees work dockets to invoicing.           | Clerk has introduced receipts for payments and new cemetery management has been installed and implemented recording transactions   |
| <b>Precept</b>              | Not submitted       | L                   | Full Minute – RFO follow up   | Diary  |
|                             | Not paid by DC      | L                   | Confirm receipt – check correct bank details when submitting precept request form   | Diary  |
|                             | Adequacy of precept | M                   | Bi-monthly review of budget to actual   | Diary  |
| <b>Reserves – General</b>   | Adequacy            | L                   | Consider at Budget setting and review bi-monthly and at year end  | RFO opinion.<br>A 3 year plan is prepared at each draft budget   |
| <b>Reserves – Earmarked</b> | Adequacy            | L                   | Consider at Budget, bi-monthly and at year end to move unspent funds into relevant ear-marked reserves.<br>RFO to ensure that spend from reserves is authorised by full council.  | RFO opinion<br>Reserves have been considered at year end adjustments made.   |

## Financial Risk Assessment 2023 - 2024

| Topic                   | Risk Identified                                | Risk Level<br>H/M/L | Management of Risk   | Staff action  |
|-------------------------|--|---------------------|--|---|
|                         | Unidentified Earmarked or Contingent liability | L                   | Review minutes   | RFO/member view   |
| <b>Salaries</b>         | Wrong salary/hours/rate paid                   | M                   | Check salary to minute, check hours and rate to contract   | Member to verify  |
|                         | Wrong deductions – NI and Income tax           | M                   | Check to PAYE Calculations<br>PAYE calculations undertaken by appointed third party payroll provider         | Member to verify  |
|                         | Conditions agreed                              | L                   | Agree and document any reasonable conditions   | RFO check   |
| <b>Segregated Funds</b> | Unidentified                                   | L                   | Review Minutes   | RFO/member view   |
| <b>Staff</b>            | Loss of key personnel (Clerk)                  | L                   | Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate | RFO/member view<br>2 month contingency reserve added at 2020-21 budget and carried forwards |
|                         | Fraud by Staff                                 | L                   | Fidelity Guarantee value appropriately set   | Council to review annually as part of insurance plan  |
| <b>VAT</b>              | VAT analysis                                   | M                   | All items in cash book lists   | RFO verify  |
|                         | Charged on purchases                           | L                   | Consider all items per cash book lists   | RFO verify  |
|                         | Claimed within time limits                     | M                   | RFO to submit monthly and report on next agenda.<br>Payment received to be reported on agenda under income.  | RFO verify  |

**Approved and Adopted:** Parish Council Meeting Min 23.04.12

  
**Chair:**  
**Cllr Mike Lavelle**

**Dated:** 27/04/2023

Wickhambrook Parish Council  
Balance at 31 March 2022 **£ 38,828.60**

**Receipts**

|                            |          |                  |   |           |
|----------------------------|----------|------------------|---|-----------|
| Precept                    | £        | 38,413.00        |   |           |
| Cemetery                   | £        | 3,000.00         |   |           |
| Chapel Rent (Players)      | £        | -                |   |           |
| Ground rents               | £        | 20.00            |   |           |
| Wayleave                   | £        | 1,967.76         |   |           |
| Bank Interest              | £        | 192.82           |   |           |
| Recycling Credits          | £        | 2,559.10         |   |           |
| Grants                     | £        | 10,347.00        |   |           |
| Miscellaneous Receipts     | £        | 31.20            |   |           |
| VAT Refund                 | £        | 6,697.71         |   |           |
| Segregated Funds (Players) | £        | -                | £ | 24,815.59 |
| <b>Total Receipts</b>      | <b>£</b> | <b>63,228.59</b> |   |           |

**Expenditure**

|                              |          |                  |  |  |
|------------------------------|----------|------------------|--|--|
| Staff Costs                  | £        | 16,119.29        |  |  |
| Administration               | £        | 6,428.47         |  |  |
| Services                     | £        | 3,545.68         |  |  |
| Estates (excluding Cemetery) | £        | 21,378.19        |  |  |
| Cemetery                     | £        | 1,586.18         |  |  |
| Projects                     | £        | 21,490.51        |  |  |
| Grants                       | £        | 3,727.60         |  |  |
| S.137                        | £        | 450.00           |  |  |
| Total Other Payments         | £        | 58,606.63        |  |  |
| <b>Total Payments</b>        | <b>£</b> | <b>74,725.92</b> |  |  |

**Fixed and Long Term Assets**

As per Asset Register **£ 326,341.08**

**Cash Reserves**

|                         |          |                  |
|-------------------------|----------|------------------|
| Opening Reserves        | £        | 38,828.60        |
| Plus Receipts           | £        | 63,228.59        |
| Less Payments           | £        | 74,725.92        |
| <b>Closing Reserves</b> | <b>£</b> | <b>27,331.27</b> |

**Represented by**

|                       |          |                  |
|-----------------------|----------|------------------|
| Cash at Bank          |          |                  |
| Current #921          | £        | 7,281.97         |
| Instant Savings #944  | £        | 20,049.30        |
| Uncashed Cheques      | £        | -                |
| Petty Cash (not held) | £        | -                |
| <b>Total</b>          | <b>£</b> | <b>27,331.27</b> |

Signed:

Chair of Wickhambrook Parish Council

Dated:

*Hilary Workman*

Signed:

Hilary Workman  
RFO: Wickhambrook Parish Council

Dated:

9th May 2023

**Movement in Earmarked Funds**

|  | 01 April 2022      | April              | Transfer Unspent Funds | June             | July            | August     | September  | October    | November   | December   | January    | February   | March           | Movement         | Current           |                    |
|--|--------------------|--------------------|------------------------|------------------|-----------------|------------|------------|------------|------------|------------|------------|------------|-----------------|------------------|-------------------|--------------------|
| Staff Contingency                              | £ 1,400.00         |                    | -£                     | 1,695.00         |                 |            | £ 1,695.00 |            |            |            |            |            |                 | £0.00            | £1,400.00         |                    |
| Training                                       | £ -                |                    | -£                     | 175.00           |                 |            |            |            |            |            |            |            |                 | -£175.00         | £175.00           |                    |
| Data Protection                                | £ 770.00           |                    | -£                     | 185.00           |                 |            |            |            |            |            |            |            |                 | -£185.00         | £955.00           |                    |
| Elections                                      | £ 2,975.00         | -£ 500.00          |                        |                  |                 |            |            |            |            |            |            |            |                 | -£500.00         | £3,475.00         |                    |
| Insurance                                      | £ -                | -£ 245.00          |                        |                  |                 |            |            |            |            |            |            |            | £ 245.00        | £0.00            | £0.00             |                    |
| Grounds Maintenance                            | £ 1,520.00         | £ 1,520.00         | -£                     | 995.00           |                 |            |            |            |            |            |            |            |                 | £525.00          | £995.00           |                    |
| Tree Surgery                                   | £ 1,640.00         |                    |                        |                  |                 |            |            |            |            |            |            |            |                 | £0.00            | £1,640.00         |                    |
| Cemetery & Churchyard                          | £ -                |                    | -£                     | 3,000.00         |                 |            |            |            |            |            |            |            |                 | -£3,000.00       | £3,000.00         |                    |
| Teen Project Replacement                       | £ 7,500.00         | £ 7,500.00         |                        |                  |                 |            |            |            |            |            |            |            |                 | £7,500.00        | £0.00             |                    |
| Playground & Teen Project Maintenance          | £ 1,775.00         | £ 750.00           | -£                     | 913.68           | £ 663.68        |            |            |            |            |            |            |            |                 | £500.00          | £1,275.00         |                    |
| Playground Replacement                         | £ -                |                    |                        |                  |                 |            |            |            |            |            |            |            |                 | £0.00            | £0.00             |                    |
| Six Acres Development                          | £ 2,500.00         |                    |                        |                  |                 |            |            |            |            |            |            |            |                 | £0.00            | £2,500.00         |                    |
| Memorial garden *                              | £ -                |                    |                        |                  |                 |            |            |            |            |            |            |            |                 | £0.00            | £0.00             |                    |
| Legacy   | £ 250.00           |                    |                        |                  |                 |            |            |            |            |            |            |            |                 | £0.00            | £250.00           |                    |
| Day Club                                       | £ 555.00           |                    |                        |                  |                 |            |            |            |            |            |            |            |                 | £0.00            | £555.00           |                    |
| Neighbourhood Planning                         | £ 5,170.00         | £ 5,170.00         | -£                     | 995.00           |                 |            |            |            |            |            |            |            |                 | £4,175.00        | £995.00           |                    |
| Safety & Security matters                      | £ 2,100.00         | £ 2,100.00         |                        |                  |                 |            |            |            |            |            |            |            |                 | £2,100.00        | £0.00             |                    |
| Highways                                       | £ 250.00           |                    | -£                     | 2,125.00         |                 |            |            |            |            |            |            |            |                 | -£2,125.00       | £2,375.00         |                    |
| Grants - Local Support & Village Organisations | £ -                |                    | -£                     | 750.00           | £ 680.00        |            |            |            |            |            |            |            |                 | -£70.00          | £70.00            |                    |
| Civic Event                                    | £ 745.00           | £ 495.00           |                        |                  |                 |            |            |            |            |            |            |            |                 | £495.00          | £250.00           |                    |
| Charitable Donations                           | £ 200.00           | £ 200.00           | -£                     | 50.00            |                 |            |            |            |            |            |            |            |                 | £ 150.00         | £50.00            |                    |
| <b>Total Earmarked Reserves</b>                | <b>£ 29,350.00</b> | <b>£ 16,990.00</b> | <b>-£</b>              | <b>10,883.68</b> | <b>£ 663.68</b> | <b>£ -</b> | <b>£ 245.00</b> | <b>£9,390.00</b> | <b>£19,960.00</b> |                    |
| <b>Operating Reserve</b>                       | <b>£ 9,478.60</b>  |                    |                        |                  |                 |            |            |            |            |            |            |            |                 |                  |                   | <b>£7,371.27</b>   |
| <b>Total Reserves</b>                          | <b>£ 38,828.60</b> |                    |                        |                  |                 |            |            |            |            |            |            |            |                 |                  |                   | <b>£ 27,331.27</b> |

41.73%

## Section 1 – Annual Governance Statement 2022/23

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 2023, 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.  |        |     | <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<br><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>  |

**\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

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

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

## Section 2 – Accounting Statements 2022/23 for

### Wickhambrook Parish Council

|   | Year ending        |                    | Notes and guidance  |
|---|--------------------|--------------------|---|
|   | 31 March 2022<br>£ | 31 March 2023<br>£ |   |
| 1. Balances brought forward                                 | 43364              | 38,829             | 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                          | 35,610             | 38,413             | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.   |
| 3. (+) Total other receipts                                 | 22,094             | 24,816             | 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  | 11,589             | 16,119             | Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments. |
| 5. (-) Loan interest/capital repayments                     | 0                  | 0                  | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).  |
| 6. (-) All other payments                                   | 50,650             | 58,607             | 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                             | 38,828             | 27,332             | 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           | 38,828             | 27,332             | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>  |
| 9. Total fixed assets plus long term investments and assets | 326,577            | 326,341            | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.  |
| 10. Total borrowings  | 0                  | 0                  | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).  |

| For Local Councils Only                                    | Yes | No | N/A |   |
|--|-----|----|-----|---|
| 11a. Disclosure note re Trust funds (including charitable) |     | ✓  |     | The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets. |
| 11b. Disclosure note re Trust funds (including charitable) |     |    | ✓   | The figures in the accounting statements above do not include any Trust transactions.                         |

I certify that for the year ended 31 March 2023 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

09/05/2023

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

**Explanation of variances – pro forma**

Name of smaller authority: [Redacted]  
 County area (local councils and parish meetings only): [Redacted]

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 onwards:** 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).

|   | 2021/22<br>£ | 2022/23<br>£ | Variance<br>£ | Variance<br>% | Explanation<br>Required? | Automatic responses trigger below based on figures input, <b>DO NOT OVERWRITE THESE BOXES</b>                       | Explanation from smaller authority (must include narrative and supporting figures)  |
|---|--------------|--------------|---------------|---------------|--------------------------|---|---|
| 1 Balances Brought Forward                                | 43,364       | 38,829       |               |               |                          | Explanation of % variance from PY opening balance not required - Balance brought forward does not agree, query this |   |
| 2 Precept or Rates and Levies                             | 35,610       | 38,413       | 2,803         | 7.87%         | NO                       |   |   |
| 3 Total Other Receipts                                    | 22,094       | 24,816       | 2,722         | 12.32%        | NO                       |   |   |
| 4 Staff Costs   | 11,589       | 16,119       | 4,530         | 39.09%        | YES                      |   | Increased salary costs of £3259.64 over 2021.22, Tax/NI increase of £959.14 & Pension Contributions £310.99 (total £4529.77). This resulted from a salary increase in April'22 (Min. Ref 22.04.11 - PC approved overtime worked to 31st March 2022 (£658.35 subject to tax, NI & pension). Additionally, increase in SCP by one (award for achievement of CILCA in accordance with contract)and backpay on National Pay Award backdated to April '1. In November, the |
| 5 Loan Interest/Capital Repayment                         | 0            | 0            | 0             | 0.00%         | NO                       |   |   |
| 6 All Other Payments                                      | 50,650       | 58,607       | 7,957         | 15.71%        | YES                      |   | 2022.23 £4996 (Vouchers 299 - Consultant Fees £4452 & 315 refund on Grant £564). Further payment of Consultants fees in March '23 for 2022.23 V532 £6931.20. Additional expenditure on works to Drainage ditch at Coltsfoot Green - V426 £2880.   |
| 7 Balances Carried Forward                                | 38,828       | 27,332       |               |               | NO                       | VARIANCE EXPLANATION NOT REQUIRED   |   |
| 8 Total Cash and Short Term Investments                   | 38,828       | 27,332       |               |               |                          | VARIANCE EXPLANATION NOT REQUIRED   |   |
| 9 Total Fixed Assets plus Other Long Term Investments and | 326,577      | 326,341      | -236          | 0.07%         | NO                       |   |   |
| 10 Total Borrowings                                       | 0            | 0            | 0             | 0.00%         | 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:

|   | £ | £ | £        |
|---|---|---|----------|
| <b>Earmarked reserves:</b>                  |   |   |          |
| Reserve 1                                   |   |   |          |
| Reserve 2                                   |   |   |          |
| Reserve 3                                   |   |   |          |
| Reserve 4                                   |   |   |          |
| Reserve 5                                   |   |   |          |
| Reserve 6                                   |   |   |          |
| Reserve 7                                   |   |   |          |
|   |   |   | 0        |
| <b>General reserve</b>                      |   |   | 0        |
| <b>Total reserves (must agree to Box 7)</b> |   |   | <u>0</u> |