

Annual Governance and Accountability Return 2021/22 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2021/22

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2022**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2022**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2022
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2021/22

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2022 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2022**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2022 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2021/22

HELLINGLY PARISH COUNCIL

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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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic bank account reconciliations were properly carried out during the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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")	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

11/10/2021 06/05/2022

ANDY BEAMS, MULBERRY & CO

Signature of person who carried out the internal audit

Andy Beams

Date

06/05/2022

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

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

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

HELLINGLY PARISH COUNCIL

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

	Agreed		'Yes' 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
			✓

*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:

11/05/2022

and recorded as minute reference:

PCH 011.05.22

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

Chairman

Clerk

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Section 2 – Accounting Statements 2021/22 for

HELLINGLY PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
			<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward	1,235,301	1,104,110	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	134,632	148,254	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	412,492	261,134	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	117,423	147,425	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	560,892	192,587	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	1,104,110	1,173,486	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	987,306	1,164,986	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	2,303,798	2,305,403	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A
			<input checked="" type="checkbox"/>
			<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 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

[Signature]
11/5/22

Date

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

11/05/22

as recorded in minute reference:

PCH 011.05.22

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

[Signature]

Section 3 – External Auditor’s Report and Certificate 2021/22

In respect of **HELLINGLY PARISH COUNCIL**

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2021/22

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2021/22

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date


ANNUAL RETURN - ENGLAND
FOR THE YEAR ENDED 31 MARCH 2022
Hellingly PC

SECTION 2 - THE STATEMENT OF ACCOUNTS

I certify that the accounts contained in this return present fairly the financial position of the council, are consistent with the underlying financial records and have been prepared on the basis of Income and Expenditure.

Responsible Financial Officer **JEREMY HOOLESS** Date **12/5/22**

I confirm that these accounts are approved by the Council and recorded as council minute reference **PCH.** Dated **12/5/22**

Signed on behalf of the above Council (Chair)  Date **11/5/22**

	<u>Last Year £</u>	<u>This Year £</u>	<u>General Notes for Guidance</u>
1 Balances brought forward	1,235,301	1,104,110	Total balances & reserves at the beginning of the year as recorded in the Financial Records
2 Annual Precept	134,632	148,254	Total amount of Precept income received in the year
3 Total other receipts	412,492	261,134	Total income or receipts as recorded in the cashbook minus the Precept
4 Staff costs	117,423	147,425	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers) and pension contributions
5 Loan interest/Capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on borrowings
6 Total other payments	560,892	192,587	Total expenditure or payments as recorded in the cashbook minus employment costs (Line 4) and loan / interest expenditure / payments (Line 5)
7 Balances carried forward	1,104,110	1,173,486	Total balances and reserves at the end of the year. [Must equal (1+2+3)-(4+5+6)]
8 Total Cash & Investments	987,306	1,164,986	The sum of all current and deposit bank accounts, cash holdings and investments held as at 31 March
9 Total Fixed Assets	2,303,798	2,305,403	The recorded current book value at 31 March of all tangible fixed assets as recorded in the asset register
10 Total Borrowings	0	0	The outstanding capital balances as at 31 March of all loans from third parties (usually PWLB)

The following documents should accompany the accounts when submitted to the auditor:

- * A brief explanation of significant variations from last year to this year in Section 2;
- * Bank Reconciliation as at 31 March

BE 8



MULBERRY & CO

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& Chartered Tax Advisors

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Our Ref: MARK/HEL002

Mrs J Hoodless
Hellingly Parish Council
Hellingly Community Hub
The Drive
Hellingly
East Sussex
BN27 4EP

6 May 2022

Dear Jenny

Re: Hellingly Parish Council
Internal Audit Year Ended 31 March 2022

Executive summary

Following completion of our interim internal audit on 11 October 2021 and final audit on 6 May 2022 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. **Testing requirements are shown in red** and where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified, followed by recommended minimum testing requirements. Each section is then concluded with an opinion as to whether the assertion has been met or not.

While there are a number of recommendations for the council to consider, our sample testing did not uncover any errors or misstatements that require reporting to the external auditor, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures very seriously and I am pleased to report that overall, the systems and procedures you have in place are fit for purpose and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well-ordered system.

It is therefore our opinion that the systems and internal procedures at Hellingly Parish Council are well established and followed.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily. The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority’s approval of the annual governance statement.

Independence and competence

Your audit was conducted by Andy Beams of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor has over 30 years’ experience in the financial sector with the last 12 years specialising in local government.

Engagement Letter

An engagement letter was issued to the council covering the 2021/22 internal audit assignment. Copies of this document are available on request.

Planning and inherent risk assessment

The scope and plan of works including fee structure was issued to the council under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

- o There have been no instances of breaches of regulations in the past
- o The client uses an industry approved financial reporting package
- o The client regularly carries out reconciliations and documents these
- o There is regular reporting to council
- o The management team are experienced and informed
- o Records are neatly maintained and referenced
- o The client is aware of current regulations and practices
- o There has been no instance of high staff turnover

It is my opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be “walk through testing” on sample data to encompass the period of the council year under review.

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A. BOOKS OF ACCOUNT (INTERIM AUDIT)

Internal audit requirement

Appropriate accounting records have been properly kept throughout the financial year.

- Recommended minimum testing:**
- Ensure the correct roll forward of the prior year cashbook balances to the new financial year
 - Check a sample of financial transactions in cashbooks to bank statements, etc.: the sample size dependent on the size of the authority and nature of accounting records maintained

Interim audit

The council uses the Rialtas Business Solutions (RBS) accounting system for recording the day-to-day financial transactions of the council. This is a tried and tested industry specific package and I make no recommendation to change. The Clerk is the sole user, although there are plans underway for a second user to be trained which will provide valuable cover in the event of the unexpected incapacity or loss of the Clerk.

The interim audit was conducted on site with the Clerk, who was able to provide information as requested and direct me to the relevant sections of the council website. The website, while containing most of the information requested, is illogical in places and may be difficult for a resident to navigate with no prior knowledge of the local council sector. The Clerk has plans in place to review and improve the website.

Meeting agendas are logically structured and minutes show clear resolutions being made by committee and council. I make no recommendation to change this system.

The council had previously been advised to register for VAT due to the construction of the Community Hub, although additional advice found this to be unnecessary and the deregistration process has been completed. Reclaims are made via a VAT 126 claim form, normally on a quarterly basis, although the last VAT reclaim was for the period 1 April to 31 August 2021 inclusive and showed a refund position of £16,947.74. I confirmed this amount was received to the council’s bank account on 14 September 2021. The council is up to date with its postings.

Section conclusion

I am of the opinion that the control assertion of “Appropriate accounting records have been properly kept throughout the financial year” has been met.

B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS (INTERIM AND FINAL AUDIT)

Internal audit requirement

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

- Recommended minimum testing:**
- Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the Standing Orders and Financial Regulations which should be based on the latest version.
 - Ensure that consistent values are in place for the acquisition of formal tenders between Standing Orders and Financial Regulations (frequently different limits are recorded in the two documents)
 - Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation
 - Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments
 - Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements

- Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place

Interim audit

Check the publication and minuting of the prior year audited AGAR and notice of conclusion of audit.

The external auditor's report was on 12 September 2021 and included a qualifying comment regarding a notification from the internal auditor regarding the non-publication of the 2019-20 Notice of Public Rights. This will be reported to council at the October 2021 meeting and the Notice of Conclusion of Audit has been published on the noticeboards but has not yet been published on the website, and **this must be done as soon as possible.**

There is evidence within the minutes of meetings of the receipt and review of the internal audit reports, although the appointment of the new internal auditor does not appear to be minuted and **I recommend this is included at the next opportunity.**

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. The council website provides details of the Disclosable Pecuniary Interests of each Member, although a couple appear to be missing and the **Clerk will ensure these are added.**

Confirm that the council is compliant with the relevant transparency code

The council's income and expenditure exceed £200,000 per annum, and it is therefore recommended to follow the Local Government Transparency Code. A review of the council website shows that the council is publishing some of the information contained within the code. If the council wishes to provide full transparency for its residents, I recommend reviewing the website of West Chiltington Parish Council as an example of how to set out the information www.wcpc.org.uk/transparency/

Confirm that the council is compliant with GDPR

The council is fully aware of GDPR and has undergone training. It was noted the council has established common email addresses for all councillors. This is recommended because it gives a natural segregation between work and personal lives, making it clear beyond doubt in what capacity a councillor is acting. In addition to this it gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

The council has a Privacy Notice and Accessibility Statement on the home page of its website. It is clear the council takes its responsibilities seriously and has made every effort to comply with the legislation.

Confirm that the council meets regularly throughout the year

In addition to full council, the council has committees for Finance, Cemetery & Allotments, Halls, Planning and Grounds. Each committee has Terms of Reference. There are regular scheduled meetings during the year, and a diary of future meetings is available on the website.

Check that agendas for meetings are published giving 3 clear days' notice.

The Clerk was able to demonstrate that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting. It was noted that supporting documentation for agendas is published on the council website.

Check the draft minutes of the last meeting(s) are on the council's website.

Draft minutes are uploaded to the council website, usually within 48 hours of the meeting, and these are clearly marked as draft. These are subsequently replaced with final versions once approved.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months.

The standing orders are based on an old NALC model, and these were most recently adopted by council at the Annual Meeting on 19 May (minute ref 009.05.21(b)).

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.

Financial regulations are based on the latest NALC model, and these were most recently adopted by council at the Annual Meeting on 19 May (minute ref 009.05.21(a)). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

Check that the council's Financial Regulations are being routinely followed.

The council has thresholds in place at which authorisations to spend must be obtained as below:

- The Council for all items over £10,000
- A duly delegated committee of the council for items over £1,000
- The Clerk, in conjunction with the Chairman of Council or Chairman of the appropriate committee, for any items below £1,000

It was noted that the Clerk also has discretion to spend up to £1,000 in the event of extreme risk to the delivery of council services.

I reviewed a sample of expenditure items for the current financial year. Payments are reported to council, and this is noted in the minutes of meetings. **However, for one invoice chosen for review, we were unable to trace the correct authorisation level as per Financial Regulations had been adhered to.** A further review of sample invoices will be conducted at the year-end to check the correct authorisation process is being followed.

There is evidence within the minutes of meetings of independent monthly checks of the bank reconciliations taking place as per Financial Regulations.

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £8.41 per elector.

The council has section 137 expenditure within thresholds.

Confirm that checks of the accounts are made by a councillor.

The system noted above details internal review takes place.

Final Audit

The final audit was conducted on site with the Clerk and Deputy Clerk. The requested information was to hand, and I am pleased to note that all actions highlighted within my interim report have been acted on. The updates to these actions are recorded at the end of the report.

Section conclusion
 I am of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for" has been partially met and with the planned actions of the Clerk will be met by the year-end.

C. RISK MANAGEMENT AND INSURANCE (INTERIM AND FINAL AUDIT)

Internal audit requirement

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

- Recommended minimum testing:**
- Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc
 - Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security
 - Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation

Interim audit

The council has a simple risk assessment process in place which lists service areas, risks and recommendations. There are a couple of inconsistencies with information on the risk assessment and the insurance policy, and **the Clerk will ensure these are amended.**

We discussed potential improvements to the risk assessment which would include the use of a simple risk matrix to assess the likelihood and potential impact of each risk. I have forwarded to the Clerk under separate cover an example of the use of a matrix for consideration.

I confirmed that the council has a valid insurance policy in place with Hiscox which expires on 31 May 2022. The policy includes Public Liability and Employers Liability cover of £10 million each and a Fidelity Guarantee level of £600,000. Given the balances held by the council are consistently in excess of this figure, **I recommend the council reviews this amount to ensure it is sufficient.**

Final Audit

We discussed assertion 8 on the AGAR and whether or not this had any impact on the council.

“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.”

The Clerk was able to confirm there were no matters excluded from the accounting statements.

Section conclusion
I am of the opinion that the control objective of “This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these” has been met.

D. BUDGET, PRECEPT AND RESERVES (INTERIM AND FINAL AUDIT)

Internal audit requirement

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

- Recommended minimum testing:**
- Ensure that the full authority, not a committee, has considered, approved and adopted the annual precept in accordance with the required parent authority timetable
 - Ensure that budget reports are prepared and submitted to authority / committees periodically during the year with appropriate commentary on any significant variances
 - Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances
 - Ensure that the authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process
 - Ensure that the precept in the accounts matches the submission form to the relevant authority and the public record of precepted amounts

Interim audit

The Clerk confirmed that the budget setting process for 2022/23 has commenced. Each committee reviews its own budget requirements, based on a recommendation from the Clerk. The Finance Committee then prepares a draft budget for recommendation to Council, who aim to set the budget at the December meeting, although the precept may not be determined until January (depending on receipt of the tax base information).

The council’s Financial Regulations make reference to a three-year forecast, although the Clerk confirmed that this does not currently exist. It is recommended best practice to have a three-year plan, and this should help the council deliver its projects for the future.

The council holds circa £1 million in earmarked reserves, mainly as a result of legacy funds given to the council for maintenance of the Country Park in perpetuity. At the start of the year the council also held circa £38,000 in the general reserve. Council is reminded that general guidance recommends a level of general reserve be maintained at circa six months equivalent of precept, and this will be reviewed at the year-end.

Final audit

The council’s year-end position reports income at circa 175% of budget and expenditure is reported as circa 145% of budget. The surplus income more than covers the additional expenditure and there has been carefully monitored throughout the year, and this is supported by reference to the council minutes.

At year-end, the council held circa £1,139,292 in a number of clearly defined earmarked reserves. I tested the purposes of the earmarked reserves with the Clerk and am content that they are all for legitimate future planned projects for the council.

The council has a general reserve of £34,193 at the year-end. Council is reminded that general guidance recommends a level of general reserve be maintained at circa six months equivalent of precept. The level held is lower than would normally be expected, but as the council holds significant earmarked reserves which could be utilised in the event of a cashflow shortfall, this does not represent a risk.

Section conclusion
I am of the opinion that the control objective of “The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate” has been met.

E. INCOME (INTERIM AUDIT)

Internal audit requirement

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

- Recommended minimum testing:**
- Review “aged debtor” listings to ensure appropriate follow up action is in place
 - Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.
 - Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)
 - Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised
 - Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time
 - Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income
 - Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked

Interim audit

Apart from the precept, the council received regular income from burial fees and cemetery income, allotments, hall hires, leases for the Village Hall and cricket club, and a payment from Hailsham Town Council as a result of an agreement based on a boundary change. The council does not accept cash payments and receives money only through BACS and cheques.

The council has also received large sums in recent years related to the significant development in and around the village. Some of these funds are held in reserves for future maintenance of land owned by the council, while other CIL funds have been used to build and develop the Community Hub.

Section conclusion

I am of the opinion that the control objective of “Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for” has been met.

F. PETTY CASH (INTERIM AUDIT)

Internal audit requirement

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

Recommended minimum testing:

- A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a “not applicable” response is frequently required in this area.
- Review the systems in place for controlling any petty cash and cash floats (used for bar, catering, etc.)
- Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held
- Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held
- Ensure that VAT is identified wherever incurred and appropriate
- Physically check the petty cash and other cash floats held
- Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till “Z” total readings

Interim audit

The council has no petty cash.

Section conclusion

I am of the opinion the control objective of “Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for” is not applicable as the council has no petty cash.

G. PAYROLL (INTERIM AND FINAL AUDIT)

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, and PAYE and NI requirements were properly applied.

Recommended minimum testing:

- Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract
- Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability
- Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and with the contracted hours
- Ensure that appropriate tax codes are being applied to each employee
- Where free or paid for software is used, ensure that it is up to date.
- For the test sample of employees, ensure that tax is calculated appropriately
- Check the correct treatment of pension contributions to either the Local Government pension scheme (non - taxable, deducted from the gross salary or DC schemes like NEST which already allow for tax deductions)
- For NI, ensure that the correct deduction and employer’s contributions are applied: NB. The employers’ allowance is not available to councils but may be used by other authorities
- Ensure that the correct employers’ pension percentage contribution is being applied
- Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies

Interim audit

The council processes payroll internally using IRIS. There are eight staff members, all registered on payroll all with signed contracts of employment based on the NALC model. Eligible employees are enrolled in a pension scheme with Aviva. A review of payroll information provided for the audit shows that PAYE and NI deductions appear correct.

There is a councillor allowance scheme which is paid through payroll on an annual basis. Not all councillors elect to take the allowance, with the level set based on the Wealden District Council remuneration report. The council is reminded that co-opted councillors are not eligible for the basic councillor allowance under The Local Authorities (Members' Allowances) (England) Regulations 2003.

Final Audit

I was able to confirm that the amount entered in box 4 on the AGAR correctly reflects only allowable staff costs, i.e., salaries, employers National Insurance and pensions contributions.

All staff members on the NJC scale have received the backdated pay rises in their March salaries.

Section conclusion
I am of the opinion that salaries are correctly stated on the AGAR and that the control object of "Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied" has been met.

H. ASSETS AND INVESTMENTS (INTERIM AND FINAL AUDIT)

Internal audit requirement

Asset and investments registers were complete and accurate and properly maintained.

Recommended minimum testing:

Tangible fixed assets

- Ensure that the authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets
- Physically verifying the existence and condition of high value, high risk assets may be appropriate
- Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement
- Additions and disposals records should allow tracking from the prior year to the current
- Ensure that the asset value to be reported in the AGAR at Section 2, Box 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and /or disposals
- Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the authority

Fixed asset investments

- Ensure that all long-term investments (i.e., those for more than 12-month terms) are covered by the "Investment Strategy" and reported as Assets in the AGAR at Section 2, Box 9.

Borrowing and lending

- Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired
- Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt
- Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at Section 2 Box 5
- Ensure that the outstanding loan liability as of 31st March each year is correctly recorded in the AGAR at Section 2, Box 10 (value should be verified via the DMO website)
- Where the authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt

Interim audit

The council has a fixed asset register which is maintained in an Excel format. The register provides a description of the asset, its date of acquisition, location, useful life estimate, original/proxy cost, insurance value and replacement value. This is suitable for a council with assets of this nature.

Final Audit

The asset register has been updated during the year and includes additions and disposals. I was able to trace the change in asset register total and confirmed that the amount entered onto the AGAR matches the total for 31 March 2022.

I confirmed the outstanding PWLB balance to the PWLB year-end statement.

Section conclusion
I am of the opinion that the control objective of "Asset and investments registers were complete and accurate and properly maintained" has been met.

I. BANK AND CASH (INTERIM AND FINAL AUDIT)

Internal audit requirement

Periodic and year-end bank account reconciliations were properly carried out.

Recommended minimum testing:

- Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members
- Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, Section 2, Box 8
- Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy

Interim audit

Bank reconciliations are reported to council on a monthly basis. As per Financial Regulation 2.2, a councillor independently checks the reconciliations and reviews the bank statements, and I was provided with evidence of this activity for July 2021. It was noted that the councillor has not been signing the bank statements, and **I recommend this is done to comply with the regulation.**

I reviewed the bank statements for July and confirmed the balances against the statements. The council currently holds all funds with Barclays Bank and would benefit from the protection offered by the Financial Services Compensation Scheme (FSCS) which protects councils with budgets of under €500,000. More information on the scheme can be found via www.fscs.org.uk

Final Audit

At the year-end the council had a reconciled bank position across all its accounts, and I was able to confirm bank balances to the statements for 31 March 2022.

A new Unity Trust Bank Account has been opened to take advantage of the Financial Services Compensation Scheme (FSCS) protection limit since the interim audit and council is about to decide the amount to initially transfer.

Section conclusion
I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of "Periodic and year-end bank account reconciliations were properly carried out" has been met.

J. YEAR END ACCOUNTS (FINAL AUDIT)

Internal audit requirement

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.

<p>Recommended minimum testing:</p> <ul style="list-style-type: none"> • Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein • Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end
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Section 1 – Annual Governance Statement

	Annual Governance Statement	<i>'Yes' means that this authority</i>	Suggested response based on evidence
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>	YES –accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
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>	YES – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
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>	YES – the Clerk is experienced and advises the council in respect of its legal powers.
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>	YES – the requirements and timescales for 2020/21 year-end were followed.
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>	YES – the council has a risk management scheme and appropriate external insurance.
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>	YES – the council has appointed an independent and competent internal auditor.
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>	YES – the council takes action on recommendations within internal audit reports

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>	YES – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<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>	N/A – the council has no trusts

Section 2 – Accounting Statements

At the time of the year-end audit, the AGAR figures presented for checking were as below:

AGAR Box Number		2020/21	2021/22	Auditor Notes
1	Balances brought forward	1,235,301	1,104,110	Correctly carried over from box 7 2020/21
2	Precept or rates and levies	134,632	148,254	Confirmed against precept amount received
3	Total other receipts	412,492	261,134	Confirmed against accounting records
4	Staff costs	117,423	147,425	Confirmed against accounting records
5	Loan interest/capital repayments	0	0	Verified against PWLB statement
6	All other payments	560,892	192,587	Confirmed against accounting records
7	Balances carried forward	1,104,110	1,173,486	Total correctly equals (1+2+3) – (4+5+6)
8	Total value of cash and short-term investments	987,306	1,164,986	Confirmed against accounting records and account balances
9	Total fixed assets plus long-term investments and assets	2,303,798	2,305,403	Verified against asset register
10	Total borrowings	0	0	Verified against PWLB statement
11	Disclosure note re Trust Funds (including charitable)	YES	NO	n/a – the council has no trusts

The year-end accounts have been correctly prepared on the income and expenditure basis with the box 7 & 8 reconciliation explained using the RBS reserves reconciliation.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the previous year’s AGAR.

The explanation of variances has been completed to explain the variances where required. I have recommended to the Clerk to add further detail to more precisely define the numerical differences to satisfy the external auditor’s requirements.

<p>Section conclusion</p> <p>I am of the opinion that the control assertion “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” has been met.</p>

K. LIMITED ASSURANCE REVIEW (FINAL AUDIT)

Internal audit requirement

If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")

Recommended minimum testing:

- The correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline
- That it has been published, together with all required information on the Authority's website and noticeboard

Final audit

The council did not declare itself exempt from a limited assurance review in 2020/21, and this test does not apply.

Section conclusion

I am of the opinion that the control assertion of "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" is not applicable due to the council not declaring itself exempt from a limited assurance review in 2020/21.

L: TRANSPARENCY (INTERIM AUDIT)

Internal audit requirement

If the authority has an annual turnover not exceeding £25,000, it publishes information on a website / webpage up to date at the time of the internal audit in accordance with the Transparency Code for Smaller Authorities

Recommended minimum testing:

- This test applies only to those councils covered by the £25,000 External Audit exemption
- Internal auditors should review the authority's website ensuring that all required documentation is published in accordance with the Transparency Code for Smaller Authorities

Interim audit

The council has an annual turnover exceeding £25,000, and this test does not apply.

Section conclusion

I am of the opinion that the control assertion of "If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/ webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities" is not applicable due to the council turnover exceeding £25,000.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS (FINAL AUDIT)

Internal audit requirement

The authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Recommended minimum testing:

- Internal auditors should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the authority's records are available for public inspection.
- Internal auditors may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

Final Audit

Inspection – key dates	2020/21 Actual	2021/22 Proposed
Date inspection notice issued	18 June 2021	10 June 2022
Inspection period begins	21 June 2021	13 June 2022
Inspection period ends	30 July 2021	22 July 2022
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

I am satisfied the requirements of this control objective were met for 2020/21, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council. I have confirmed that the proposed timescales for 2021/22 are within the requirements of this control objective.

The council plans to sign the AGAR at the meeting to be held on 11 May 2022.

Section conclusion

I am of the opinion that the control assertion “the authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations” has been met.

N: PUBLICATION REQUIREMENTS (INTERIM AUDIT)

Internal audit requirement

The authority has complied with the publication requirements for 2020/21. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Recommended minimum testing:

- Internal auditors should acquire / examine a copy of the required “Public Notice” ensuring that it clearly identifies the statutory 30 working day period when the authority’s records are available for public inspection.
- Internal auditors may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

Before 1 July 2021 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited
- Section 1 - Annual Governance Statement 2020/21, approved and signed, page 4
- Section 2 - Accounting Statements 2020/21, approved and signed, page 5

Not later than 30 September 2021 authorities must publish:

- Notice of conclusion of audit
- Section 3 - External Auditor Report and Certificate
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Interim audit

I was able to confirm that the publication requirements for 2020/21 have been met and the Notice of Public Rights is published on the council website.

Section conclusion

I am of the opinion that the control assertion of “the authority has complied with the publication requirements for 2020/21 AGAR. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage” has been met.

O. TRUSTEESHIP (INTERIM AUDIT)

Internal audit requirement

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Recommended minimum testing:

- Confirm that all charities of which the council is a Trustee are up to date with Charity Commission filing requirements
- that the council is the sole trustee on the Charity Commission register
- that the council is acting in accordance with the Trust deed
- that the charity meetings and accounts are recorded separately from those of the council
- review the level and activity of the charity and where a risk-based approach suggests such, review the Independent Examiner’s report

Interim audit

The council has no trusts.

Section conclusion

I am of the opinion that the control assertion of “Trust funds (including charitable) – The council met its responsibilities as a trustee” is not applicable as the council has no trusts.

Should you have any queries please do not hesitate to contact me.

Yours sincerely



Andy Beams
For Mulberry & Co

Audit Point	Interim Audit Findings	Year-end notes
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	Notice of Conclusion of Audit to be published on the council website as soon as possible.	The Notice of Conclusion was reported to the Finance Committee at November meeting and is published on the website.
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	Appointment of Internal Auditor to be confirmed in the minutes.	This was reported to the council meeting held in October 2021 and retrospective approval was obtained.
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	Missing Register of Members' Interests Forms to be added to the council website.	I confirmed these are now published on the council website.
FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS	All invoices to be authorised in accordance with Financial Regulations.	I was able to confirm that procedures have been updated and minute references of large payments are now recorded to prove authorisation.
RISK MANAGEMENT AND INSURANCE	Risk assessment and insurance schedule to be compared to ensure details match.	The Clerk confirmed that the anomalies have now been resolved.
RISK MANAGEMENT AND INSURANCE	Fidelity Guarantee level to be reviewed as currently significantly below level of balances held.	The level of Fidelity Guarantee has been increased to £1 million, although based on the year-end balances this may still be insufficient. The Clerk will review further at the renewal date.

Explanation of variances – pro forma

Name of smaller authority: **HELLINGLY PARISH COUNCIL**
 County area (local councils and WEALDEN DISTRICT

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).

	2020/21 £	2021/22 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	1,235,301	1,104,110					
2 Precept or Rates and Levies	134,532	148,254	13,622	10.12%	NO		
3 Total Other Receipts	412,492	261,134	-151,358	36.69%	YES		In 2020/21 HPC received a total of £330,777.94 in CIL monies due to many new housing developments being built. In 2021/22 HPC only received £106,303 so much lower.
4 Staff Costs	117,423	147,425	30,002	25.55%	YES		Due to the Community Hub opening, additional staff were required to run the administration of the Hub. Two part-time staff were recruited plus additional required overtime to carry out all duties. The salaries for the additional staff were 14,000 plus overtime as workloads increased.
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	550,892	192,587	-368,305	65.66%	YES		In 2021, the Community Hub payments were still an expenditure but now the build project is completed, the expenditure has reduced dramatically and as expected by HPC. In 2021 there was the final builders payment of £30,524 and the landscaping which was £22,756, there was also additional costs incurred for internal equipment of £29,065. The community Hub has now been fully completed internal and external, so expenditure for 2022/23 will be much lower.
7 Balances Carried Forward	1,104,110	1,173,486					
8 Total Cash and Short Term Investments	987,306	1,184,986					
9 Total Fixed Assets plus Other Long Term Investments and	2,303,798	2,305,403	1,605	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

VARIANCE EXPLANATION NOT REQUIRED
 EXPLANATION REQUIRED ON RESERVES TAB AS
 TO WHY CARRY FORWARD RESERVES ARE
 GREATER THAN TWICE INCOME FROM LOCAL
 TAXATION/LEVIES

VARIANCE EXPLANATION NOT REQUIRED

TBC

Smaller authority name: HELLINGLY PARISH COUNCIL

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

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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

NOTICE	NOTES
<p>1. Date of announcement <u>Friday 10th June 2022</u> (a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2022, these documents will be available on reasonable notice by application to:</p> <p>(b) <u>clerk@hellingly-pc.org.uk</u></p> <p>commencing on (c) <u>Monday 13 June 2022</u></p> <p>and ending on (d) <u>Friday 22 July 2022</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none"> The opportunity to question the appointed auditor about the accounting records; and The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-l.com)</p> <p>5. This announcement is made by (e) <u>Jennifer Hoodless</u></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

Bank reconciliation – HELLINGLY PARISH COUNCIL

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis

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

County area (local councils and parish meetings only): **Wealden**

Financial year ending 31 March 2022

Prepared by (Name and Role): **Jennifer Hoodless - Clerk/ RFO**

Date: **25/04/2022**

	£	£
Balance per bank statements as at 31/3/22:		
A/C 00691852	50,000.00	
A/C 40210374	1,084,213.61	
A/C 8353243	30,772.19	
	_____	1,164,985.80
Petty cash float (if applicable)		-
Less: any un-presented cheques as at 31/3/22 <i>(normally only current account)</i>		
Cheque number 154	0.00	
157	0.00	
158	0.00	
	_____	0.00
Add: any un-banked cash as at 31/3/22 <i>e.g Allotment rents banked 30/3/22 (but not credited until 2 April)</i>		
	-	

Net balances as at 31/3/22 (Box 8)		<u><u>1,164,985.80</u></u>

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority: HELLINGLY PARISH COUNCIL 2021/22

County area (local councils and parish meetings only): WEALDEN DISTRICT COUNCIL

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	
Box 7: Balances carried forward		£ 1,173,486.00
Deduct: Debtors (enter these as negative numbers)		
VAT	(8,500.00)	
	(8,500.00)	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)		
1		
2		
Total deductions		(8,500.00)
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
CREDITORS		
ACCRUALS		
Add:		
Receipts in advance (must not include deferred grants/loans received)		
1		
2		
Total additions		-
Box 8: Total cash and short term investments		1,164,986.00

25/04/2022

Hellingly PC

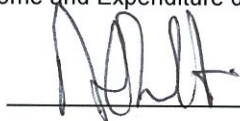
16:26

Balance Sheet as at 31/03/2022

31/03/2021		31/03/22
	Current Assets	
120,094	VAT Control A/c	8,500
956,537	Barclays Curr/Deposit Acct	1,134,214
30,769	Barclays Bus Prem Acct	30,772
1,107,400		1,173,486
1,107,400	Total Assets	1,173,486
	Current Liabilities	
638	Creditors	0
2,652	Accruals	0
3,290		0
1,104,110	Total Assets Less Current Liabilities	1,173,486
	Represented By	
37,482	General Reserves	34,193
6,391	EMR - Village Hall	6,391
2,000	EMR - Cemetery	0
3,000	EMR - LHB Recreation Grnd	3,000
928,223	EMR - RB Public Open Space/Pla	894,787
0	EMR - CIL	106,302
1,500	EMR - Cemetery Lodge	1,500
122,014	EMR - RBPark Landscaping	100,819
1,000	EMR - Elections	1,000
1,000	EMR - UC Allotments	1,000
1,500	EMR - LD Recreation Grnd	1,500
0	EMR - Social Fund	22,993
1,104,110		1,173,486

The above statement represents fairly the financial position of the authority as at 31/03/2022 and reflects its Income and Expenditure during the year.

Signed :
Chairman



Date : 11/5/22

Signed :
Responsible
Financial
Officer



Date : 11/5/22

CONFIRMATION OF THE DATES OF THE PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

Name of smaller authority: _____ **HELLINGLY PARISH COUNCIL**

County Area (local councils and parish meetings only): _____ **WEALDEN DISTRICT**

On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on _____ **MONDAY 13TH JUNE 2022**

and ending on _____ **FRIDAY 22ND JULY 2022**

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2022 (i.e. Friday 1 July – Thursday 14 July).

We have suggested the following dates: Monday 13 June – Friday 22 July 2022. The latest possible dates that comply with the statutory requirements are Friday 1 July – Thursday 11 August 2022.)

Signed: _____ 

Role: _____ **PARISH CLERK & RFO**

This form is only for use by smaller authorities subject to a review:

Please submit this form to PKF Littlejohn LLP with the AGAR Form 3 and other requested documentation – this form is not for publication on your website.

Contact details

Name of smaller authority: **HELLINGLY PARISH COUNCIL**

County Area (local councils and parish meetings only): **WEALDEN DISTRICT**

Please complete this form and send it back to us with the AGAR or exemption certificate

	Clerk/RFO (Main contact)	Chair
Name	Jennifer Hoodless	David White
Address	30 St Mellion Close Hailsham East Sussex BN27 3UY	Grovebridge Farm Grove Hill Hellingly East Sussex BN27 4HH
Daytime telephone number	01323 449415	01435 813171
Mobile telephone number	07508504716	
Email address	clerk@hellingly-pc.org.uk	cllr.david.white@hellingly-pc.org.uk

2021/22 Precept and Banding Calculator

<u>Current Year</u>		<u>Next Year</u>	<u>Increase</u>
£134,632	Precept	£148,253	10.12%
1,371.0	Tax Base	1,509.7	10.12%
£98.20	Band D	£98.20	0.00%
Band D increase per £1,000 precept rise		£0.66	

Full Breakdown by Band

<u>Current Year</u>		<u>Next Year</u>	<u>Weekly Increase</u>
£65.47	Band A	£65.47	£0.00
£76.38	Band B	£76.38	£0.00
£87.29	Band C	£87.29	£0.00
£98.20	Band D	£98.20	£0.00
£120.02	Band E	£120.02	£0.00
£141.84	Band F	£141.84	£0.00
£163.67	Band G	£163.67	£0.00
£196.40	Band H	£196.40	£0.00

Instructions for use

Enter the relevant figures into boxes a,b,c and d and the spreadsheet will work out the calculations. DO NOT enter any figures into any of the other boxes or you will lose the pre-set calculations.