

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree 1 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 payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative fig

Name of smaller authority: **Knockin Parish**

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

Financial year ending 31 March 20xx

Prepared by (Name and Role): **Penny O'Hagan Parish Clerk**

Date: **31/03/2022**

	£	£
Balance per bank statements as at 31/3/xx:		
Bank of Scotland Current Account	34,091.6	34,091.6
Petty cash float (if applicable)		-
Less: any unpresented cheques as at 31/3/22 (enter these as negative numbers)		
SALC 10547	(50.00)	
HMRC 10544	(171.00)	
		(221.00)
Add: any un-banked cash as at 31/3/22		
	-	
		-
Net balances as at 31/3/22 (Box 8)		33,870.6

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28 April 2022

Knockin Parish Council

Ladies and Gentlemen

I have been appointed as your Internal Auditor and am employed by the Council to conduct such tests as are agreed and are sufficient to enable me to complete the Internal Auditor's Report contained within the Audit Commission's Annual Return Form for the appropriate financial year.

My report this year is again based on the Guide issued by the Joint Panel on Accounting Guidance (JPAG). Whilst the tests I have made are taken from the Practitioners' Guide, they are relevant to the various headings on the Annual internal audit report. I have again given my rationale for the answers given on that report.

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

Appropriate books of account have been kept properly throughout the year. A Cash Book is maintained, is up to date, regularly balanced and the reconciliation of the cash book balance and the bank statement is agreed by the council at each meeting. The books are made up to 31st March 2022 and were audited by me on 28th April 2022.

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

I checked the Income received and also the invoices paid. I tested a sample of the payment transactions and found them to be satisfactory. Where applicable, prior to authorisation, the invoice is checked by the Clerk. All cheques require two signatures, and the cheque signatories are required to check and initial the original invoice that they have assured themselves that the invoice is appropriate for payment and that the invoice and cheque are in agreement as to payee and value. From the samples checked, this is being done. VAT on payments has been identified and recorded separately. The Standing Orders were revised in 2014 and are reviewed annually at the May meeting of the Council (ref minute 8/21), as were the other policies operated by the Council, including the Financial Regulations.

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

The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these during the year. The Risk Assessment policy has been discussed and approved by the council, see minute 68.22.f dated 22 March 2022. The existing Insurance cover was reviewed under minute 10/21.d and runs from 1 June 2021 to 31 May 2022.

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

A budget was drawn up and was discussed and approved by the Council at their meeting on 11th January 2022. An Expenditure budget of £14232 was agreed and a Precept of £14232 was set. The budget was approved under minute 57/22.d and the Precept under minute 57/22.e. The unrestricted reserves of the Council totalling £75966.57 and restricted reserves of £26274.06 are adequate. The budget is regularly monitored and duly minuted, see minutes 32.21.e and 57.22.e.

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

All income has been received, is properly recorded and promptly banked where applicable. The recorded precept of £13971 agrees to the Council Tax authority's notification. The council does not deal in cash or near cash items. VAT has been properly accounted for and has been claimed up to 31 March 2022, and a claim has been made. The refund for the previous claim to 31 March 2021 amounting to £1171.69, was received on 29 October 2021.

F. The Council does not deal in Petty Cash.

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.

The existing clerk has a Contract of Employment, which is based on the NALC model. Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied and payments to HMRC are up to date. The Clerk's salary was duly approved and minuted.

H. Asset and investment registers were complete and accurate and properly maintained.

The council has an Asset register which is complete and accurate and properly maintained. The value of the assets totals 17411.45. It was reviewed on 11th May 2021 under minute 8/21. The council does not have an investment register as it has no investments.

I. Periodic bank account reconciliations were properly carried out during the year.

Periodic and year end reconciliations have been carried out and there is evidence that this has been done and the reconciliations have been checked. As evidence see minute 68.22.

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.

Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, and supported by an adequate audit trail. At the year-end there are no unexplained balancing entries in either reconciliation, The year-end accounts have been prepared on the correct accounting basis and the value of investments held is not applicable. At the year end, there are original bank statements for all accounts.

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 2021/21 AGAR tick ("not covered").

The authority was not exempt from a limited assurance review in 2020/21 nor in 2021/22 so this point is not applicable.

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.

The authority has published the required information on the website see minute 32.21.f.

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).

This exercise was correctly provided for and the exercise was duly minuted under minute see minute 32.21.f.

N. The authority has complied with the publication requirements for 2020/21 AGAR. (see AGAR Page 1 Guidance Notes).

The authority has complied with the requirements.

O. (For local councils only).

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

Not applicable.

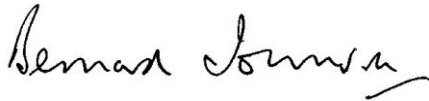
Conclusion.

I have marked all the categories on the internal audit form as conforming to the required standard on the basis that under risk management there is little or no risk attached to the council from any of the comments I have made.

From my internal audit testing there is no evidence of any irregularities and I would like to thank the Clerk for the excellent way in which the accounts and other audit material have been prepared.

The points I have commented upon in my report come from the internal control testing appendix, and should provide the basis on which the council's own internal controls are set.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bernard Townson', written in a cursive style.

Bernard Townson
Internal Auditor
28th April 2022

Explanation of variances – pro forma

Name of smaller authority: **Knockin**
 County area (local councils and parish meetings only): **Shropshire**

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	9,676	26,883				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	11,878	13,971	2,093	17.62%	YES		Precept increased to cover general cost increases including £400 for election fees, £150 - councillor training. £750 extra for maintenance on Amenity Area and £150 for bus shelter repairs. Also £200 External Audit fees as Council no longer exempt due to Neighbourhood Fund Contributions
3 Total Other Receipts	18,187	8,175	-10,012	55.05%	YES		Reduction in neighbourhood fund allocation from £17309 in 2020-21 to £7003 in 2021-22
4 Staff Costs	3,513	3,419	-94	2.68%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	9,345	11,740	2,395	25.63%	YES		Purchase of picnic benches £333 and vehicle activated sign from Neighbourhood Fund for £2740
7 Balances Carried Forward	26,883	33,870			YES	VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES	
8 Total Cash and Short Term Investments	26,883	33,870				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	14,337	17,411	3,074	21.44%	YES		addition of picnic benches £333, vehicle activated sign £2740 and Jubilee Tree £1
10 Total Borrowings	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:

	£	£	£
Earmarked reserves:			
Election fees	1500		
Neighbourhood Fund	24767		
Website	7		
			<u>26274</u>
General reserve	7596		
			<u>7596</u>
Total reserves (must agree to Box 7)			<u><u>33870</u></u>

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

Name of smaller authority: Knockin Parish Council

County Area (local councils and parish meetings only): Shropshire

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

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.