

Warbleton Parish Council – Finance Report May 2022

This report should be read in conjunction with the Council agenda and associated papers relating to the Internal Audit and AGAR process.

Agenda item 11.5 – Internal Audit Report

The internal audit for 2021/22 was conducted by Keith Robertson on 27th April 2022 with the Parish Clerk/RFO, Chairman of the Council, Chairman of the F&GP Committee in attendance (the VC of the F&GP Committee attended via zoom). A copy of the audit report is attached with the Council papers.

In summary, no audit issues were raised which require action. The auditor provided a recommendation to change the reporting of reserve movements and balances and this will be considered by the F&GP Committee at a future meeting.

The Internal Auditor also completes an Annual Internal Audit Report, which forms part of our AGAR submission. The auditor has confirmed we have met all 13 Internal Control Objectives that he reviewed. Councillors should take these responses into account when considering the response to the AGAR Governance Return.

Councillors are invited to raise any comments about the Audit report and Internal Control summary.

Agenda item 11.6 – Exercise of Public Rights

As a smaller authority we must inform the electorate of a single period of 30 working days during which public rights may be exercised, by publishing the relevant Notice **and** Sections 1 & 2 of the approved AGAR **at least the day before** the period for public rights commences. The date of the Notice **must not be** dated the same date as the first day of the 30 working days. For this purpose, publishing means inclusion **on the website**. Publication on a notice board is not mandated but is good practice;

The inspection period **must** include the first 10 working days of July, i.e. 1 to 14 July inclusive this year. It is proposed that public rights may be exercised between Monday 13th June and Friday 22nd July 2022. These are the recommended (but not obligatory) dates by PKK Littlejohn.

Agenda item 11.7 – Section 1 of the AGAR – The Annual Governance Statement for 2021/22

There is a prescribed set order in which the sections of the AGAR must be resolved by Council. The Annual Governance Statement must be agreed before the Accounting Statement. Each section of the AGAR is a responsibility of the Council to approve before being signed by the Council Chairman.

Therefore, the Council must consider each question before agreeing the Governance Statement.

A separate document sets out the items to be considered. The questions should be considered in conjunction with the Practitioners' Guide for Smaller Authorities and the Internal Audit report.

If any question is answered “NO”, a detailed explanation must be provided when submitting the AGAR and also published with the AGAR on our website. As the F&GP Committee has not met since the audit report has been received, there is no formal recommendation from the Committee. However, given that no issues were raised by the internal auditor, my personal recommendation as chair of the F&GP Committee is that we can answer “Yes” to all 8 Governance questions. Question 9 is not applicable.

Agenda item 11.8 – Annual Accounts - Cash Book and Bank Reconciliation 2021/22

The bank reconciliation for 2021/22 was produced by the RFO and independently checked by the Chairman of the F&GP Committee.

The cashbook is prepared by the RFO and itemises all financial transactions in the period 1st April 2021-31st March 2022. The Chairman of the F&GP Committee reviews the cash book monthly and at the end of the financial year; it was also submitted to the F&GP Committee in April 2022.

The bank reconciliation and the cash book are also reviewed by the Internal Auditor as part of his review. See Audit report for details.

It is recommended that the annual accounts for 2021/22 are approved.

Agenda item 11.8 – Section 2 of the AGAR – The Accounting Statement for 2021/22

A draft of the Accounting Statement was provided to the Internal Auditor as part of his review. He was satisfied with the figures.

An explanation of any significant variances between 2020/21 and 2021/22 must be submitted alongside the Accounting Statement. This is attached with the Council papers.

The RFO and the Chairman of the FGP Committee are happy that all numbers balance against the end of year accounts and recommend that the Accounting Statement for 2021/22 is approved.

Limited Assurance Review

As both income and expenditure exceeded £25,000 in 2021/22, Warbleton Parish Council cannot exempt itself from a Limited Assurance Review (by PKF Littlejohn) which will be conducted later in the year. As such the Council is required to submit an AGAR3 for 2021/22.

Agenda item 11.9 - revised Financial Regulations

The Council is required to review its Financial Regulations each year. They were last approved in May 2021.

The FGP Committee reviewed the proposed revised Financial Regulations in April 2022. The minor changes are highlighted in red. The F&GP Committee recommended that the temporary changes introduced in January 2022 were no longer needed and should lapse. The F&GP Committee recommended that the Council approve the amended Financial Regulations.

Since the F&GP Committee met, NALC has made a small change to section 18f (also highlighted in red) of the model Financial Regulations, recognising that the UK is no longer a member of the EU. This does not currently directly impact Warbleton Parish Council, but it is recommended that this change is included for completeness.

Agenda item 11.10 – revised Standing Orders

As per the previous agenda item the Council is required to review its Standing Orders each year. They were last approved in May 2021.

No changes are proposed other than typographical corrections. The FGP Committee has reviewed the proposed changes and unanimously recommends the Council agrees the revised Standing Orders.

Agenda item 11.11 – Reserves Policy

As indicated at the January Council, the F&GP Committee considered and recommended the introduction of a formal policy on the level of General Reserves to be held by the Council. The proposed policy is attached with the Council papers.

Cllr Steve Williamson

Chairman

Finance and GP Committee

14th May 2022