

Annual Internal Audit Report 2021/22

MILTON PARISH COUNCIL

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓*
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

* No petty cash transactions
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

19.11.2021 28.4.2022

Name of person who carried out the internal audit

JARVILLE WILSON CANALBS LTD

Signature of person who carried out the internal audit

J. Wilson

Date 28.4.2022

*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:

MILTON 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.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
			✓	

*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:

25/04/2022

and recorded as minute reference:

3

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

Chairman Hazel M. Smith

Clerk Sarah Corder

Section 2 – Accounting Statements 2021/22 for

MILTON PARISH COUNCIL

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	473,809	487,968	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
2. (+) Precept or Rates and Levies	133,000	133,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	35,275	27,564	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs	42,876	44,022	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.	
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	111,240	107,056	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	487,968	497,454	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments	Restated 497,263	481,200	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.	
9. Total fixed assets plus long term investments and assets	190,694	200,414	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.	
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Gareth Johnson
FOR GSA ACCOUNTANCY LIMITED

Date

25 April 2022

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

25th April 2022

as recorded in minute reference:

3

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

Hazel M. Smith

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

In respect of

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

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

Name of smaller authority: Milton Parish Council

County Area (local councils and parish meetings only): South Cambridgeshire

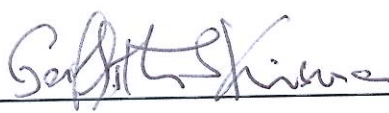
On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on Monday 13 June 2022

and ending on Friday 22 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: Responsible Financial Officer

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.

Milton Parish Council

Prepared by: _____
Name and Role (Clerk/RFO etc)

Date: _____

Approved by: _____
Name and Role (RFO/Chair of Finance etc)

Date: _____

	Bank Reconciliation at 31/03/2022		
	Cash in Hand 01/04/2021		496,591.38
	ADD Receipts 01/04/2021 - 31/03/2022		169,947.28
			666,538.66
	SUBTRACT Payments 01/04/2021 - 31/03/2022		185,338.80
A	Cash in Hand 31/03/2022 (per Cash Book)		481,199.86
	Cash in hand per Bank Statements		
	Cash 31/03/2022	3.97	
	Lloyds Corporate Card 31/03/2022	0.00	
	Redwood Bank - 95 day Business : 31/03/2022	85,000.00	
	Hampshire Trust Bank - 1 year Bor 31/03/2022	85,000.00	
	Cambridge & Counties Bank Bond 31/03/2022	85,000.00	
	Unity Trust Bank 24/03/2022	24,752.81	
	Shawbrook 1 year Business Bond 31/03/2022	0.00	
	Santander S106 Arts 31/03/2022	47,049.45	
	Bond - United Trust Bank 31/03/2022	85,892.50	
	CBS Council Saver a/c 31/03/2022	56,217.52	
	CBS General Purpose 31/03/2022	18,001.77	
	S106 (CBS) 31/03/2022	5,583.93	
			492,501.95
	Less unrepresented payments		11,302.09
			481,199.86
	Plus unrepresented receipts		
B	Adjusted Bank Balance		481,199.86
	A = B Checks out OK		

Milton Parish Council
Uncashed payments/transfers out (All banks)
(Upto 31/03/2022)

Voucher	Date	Cheque No.	Description	Total	Bank
419	28/02/2022		Allotment	335.45	Unity Trust Bank
420	28/02/2022		Cemetery	195.05	Unity Trust Bank
421	28/02/2022		Grass Cutting	878.26	Unity Trust Bank
422	28/02/2022		MCC Costs Contribution	1,202.00	Unity Trust Bank
423	28/02/2022		MCC Costs Contribution	233.77	Unity Trust Bank
391	07/03/2022		Trees	120.00	Unity Trust Bank
396	14/03/2022		Agency	454.82	Unity Trust Bank
415	17/03/2022		Bus Shelters (cleaning)	94.00	Unity Trust Bank
397	21/03/2022		Mileage	47.25	Unity Trust Bank
403	22/03/2022		New Dog Poop Bin	399.60	Unity Trust Bank
392	22/03/2022		Trees	1,716.00	Unity Trust Bank
393	23/03/2022		Bin bags	12.78	Unity Trust Bank
394	23/03/2022		First Aid Kit	13.92	Unity Trust Bank
402	23/03/2022		Car Handle Mobility Aid	13.99	Unity Trust Bank
395	28/03/2022		CAPALC memberhsip	857.53	Unity Trust Bank
408	29/03/2022		Youth Club Sessions	1,432.00	Unity Trust Bank
424	30/03/2022		Allotment	335.45	Unity Trust Bank
425	30/03/2022		Cemetery	195.05	Unity Trust Bank
426	30/03/2022		Grass Cutting	878.26	Unity Trust Bank
427	30/03/2022		MCC Costs Contribution	1,202.00	Unity Trust Bank
428	30/03/2022		MCC Costs Contribution	233.77	Unity Trust Bank
417	30/03/2022		Queen's Jubilee Celebrations decora	187.14	Unity Trust Bank
418	31/03/2022		Dial-a-Ride	114.00	Unity Trust Bank
416	31/03/2022		Professional Services	150.00	Unity Trust Bank
Total-----				11,302.09	

Milton Parish Council
Reconciliation between Box 7 and Box 8

31/03/2022

This report explains the difference between the total balance in Box 7 and the cash balance in Box 8 by showing the totals for each type of adjustment, the details of which can be listed using the Adjustments report. It deducts the additional assets which have been included on the balance sheet and adds back in the liabilities to arrive at the balance for actual cash and short term investments. This only applies to Annual Returns prepared on Income and Expenditure basis

	<i>Amount</i>	<i>Amount</i>
Box 7 - Balances carried forward		497,453.89
Debtors		
Prepayments		
Stocks and Stores		
VAT Recoverable	16,254.03	
TOTAL DEDUCTIONS		16,254.03
Creditors		
Receipts in Advance		
Doubtful Debts		
TOTAL ADDITIONS		
Box 8 - Total cash and short term investments		481,199.86

Milton Parish Council
ANNUAL RETURN - Section 2 : Statement of Accounts

Explanation of variances

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on an INCOME and EXPENDITURE basis.

Box No.	Description	31/03/2021 £	31/03/2022 £	Variance £	Variance %	Explanation Required?	Notes
1	Balances brought fwd	473808.59	487967.52				BALANCE B/F AGREES
2	Annual precept	133000.00	133000.00	0.00	0%	No	n/a
3	Total other receipts	35275.41	27564.71	-7710.70	22%	Yes	Covid grant in 2020, and back payment of grant from Milton Charities in 2020 made last year higher, and interest rates were reduced
4	Staff Costs	42875.90	44022.39	1146.49	3%	No	Increase in salary scales
5	Loan interest/capital repayments	0.00	0.00	0.00	0%	No	n/a
6	Total other payments	111240.58	107055.95	-4184.63	4%	No	Previous year £10,000 grant to Cambridge Sports Lake Trust, general increase in other expenditure
7	Balances carried forward	487967.52	497453.89	9486.37	2%	No	
8	Total Cash and Short Term Investments	496591.38	481199.86	-15391.52	3%	No	
9	Total Fixed Assets and Long Term Investments	190694.00	200414.00	9720.00	5%	No	Additional assets, CCTV for office, 3 defibrillators and cabinets, Mobile vehicle activated sign
10	Total Borrowings	0.00	0.00	0.00	0%	No	n/a

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

Explanation for 'high' reserves

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

Earmarked reserves:

Capital	220,000	
History	203	
S106	<u>50,971</u>	
	<u>271,174</u>	271,174
General reserve		<u>226,280</u>
Total reserves (must agree to Box 7)		<u>497,454</u>