# Annual Governance and Accountability Return 2022/23 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 2022/23

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 2023.**
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 2023.** 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 2023
   - 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 2022/23

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 **Section1, 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 2023 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 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 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) 2022/23

- 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. Any amendments must be approved by the authority and properly initialled.
- 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 2023.
- 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.
- **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 bank reconciliation is incomplete or variances not **fully** explained then 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 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- 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 2023.**

| **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 Responsible Financial Officer signed the accounting statements before presentation to the authority for approval? | ✓ | |
| | 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 2023** 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. | N/A | |

***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 2022/23

## Castle Bromwich Parish Council

www.castlebromwichpc.gov.uk

**During** the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

| Internal control objective | Yes | No* | Not covered** |
|---|---|---|---|
| A. Appropriate accounting records have been properly kept throughout the financial year. | ✔ | | |
| B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | ✔ | | |
| C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | ✔ | | |
| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | ✔ | | |
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | ✔ | | |
| F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for. | ✔ | | |
| G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied. | ✔ | | |
| H. Asset and investments registers were complete and accurate and properly maintained. | ✔ | | |
| I. Periodic bank account reconciliations were properly carried out during the year. | ✔ | | |
| J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | ✔ | | |
| K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")* | | | ✔ |
| L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. | ✔ | | |
| M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations *(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).* | ✔ | | |
| N. The authority has complied with the publication requirements for 2021/22 AGAR *(see AGAR Page 1 Guidance Notes).* | ✔ | | |

| O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee. | Yes | No | Not applicable |
|---|---|---|---|
| | | | ✔ |

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

11/01/2023

Name of person who carried out the internal audit

Duncan Edwards (DKE Audit Services)

Signature of person who carried out the internal audit 

Date 19/04/2023

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

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

## Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

**Castle Bromwich 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 2023, that:

| | Agreed | | 'Yes' means that this authority: |
|---|---|---|---|
| | Yes | No* | |
| 1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. | ✓ | | *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:

26/04/2023

and recorded as minute reference:

C23-079a

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

Chairman P.S. Cle

Clerk C Burgess

www.castlebromwichpc.gov.uk

## Section 2 – Accounting Statements 2022/23 for

### Castle Bromwich Parish Council

| | Year ending | | Notes and guidance |
|---|---|---|---|
| | 31 March 2022 £ | 31 March 2023 £ | *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.* |
| **1.** Balances brought forward | 274,471 | 310,203 | *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 | 347,576 | 359,219 | *Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.* |
| **3.** (+) Total other receipts | 81,823 | 143,692 | *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 | 194,347 | 248,702 | *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 | 199,320 | 174,246 | *Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).* |
| **7.** (=) Balances carried forward | 310,203 | 390,166 | *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 | 323,094 | 409,442 | *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 | RESTATED 3,275,897 | 3,285,968 | *The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.* |
| **10.** Total borrowings | 0 | 0 | *The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).* |

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

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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

G M Burgess

Date 21/04/2023

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

26/04/2023

as recorded in minute reference:

C23-079b

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

P. S. [illegible]

## Section 3 – External Auditor's Report and Certificate 2022/23

In respect of Castle Bromwich 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 2023; 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 2022/23

(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 2022/23

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 2023.

*We do not certify completion because:

External Auditor Name

EXTERNAL AUDITOR NAME

External Auditor Signature SIGNATURE REQUIRED Date DD/MM/YYYY

## Additional information to be submitted with Part 3 AGAR

### Basic and Intermediate levels

| Item required. | | Yes or No |
|---|---|---|
| 1. | State the basis of accounts – Income and Expenditure (I&E) **or** Receipts and Payments (R&P). | Income and Expenditure (I&E) |
| 2. | Bank reconciliation (N.B. a pro-forma document is available online). | YES |
| 3. | Explanations of significant variances – with a numerical support:<br><br>For boxes 2 – 10 in the Accounting Statements, where the 2023 figure is 15% greater than, or 15% less than, the 2022 figure **unless** the variance is less than £500.<br><br>Please also provide an explanation if the variance is greater than £100,000 regardless of whether this is less than 15%. | YES |
| 4. | A reconciliation between boxes 7 and 8 – this must be quantified. | YES |
| 5. | An explanation of any 'No' answers in Section 1 (Annual Governance Statement). | N/A |
| 6. | An explanation of any 'No' answers in the Annual Internal Audit Report. | N/A |
| 7. | An explanation of the level of reserves held if more than twice the precept of the Authority. | N/A |
| 8. | Whether you use the general power of competence. | NO |
| 9. | The dates for the period for the exercise of public rights (N.B. a pro-forma document is available online). | 04/06-14/07/23 |
| 10. | This sheet should also be submitted, duly completed. | Emberger |

# Bank Reconciliation

**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" 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: Castle Bromwich Parish Council

County area (local Councils and Parish meetings only):

**Financial year ending 31/03/23**

Prepared by (Name and role): Gemma Burgess

Date: 04/04/23

| **Balance per bank statements as at 31/03/23** | £ | £ |
|---|---|---|
| Bar Float | £1,055.00 | |
| CCLA | £251,000.00 | |
| Chairman's Charity Fund | £553.16 | |
| Lloyds disbursements | £8,974.66 | |
| Lloyds General | £125,231.85 | |
| Petty Cash | £420.70 | |
| UTB Disbursements | £22,207.02 | |
| | | £409,442.39 |
| Petty cash (no balance) | | £0.00 |
| Less: any unpresented cheques | | £0.00 |
| Add: any uncleared effects | | £0.00 |
| Net balances as at 31/03/23 (Box 8) | | £409,442.39 |

## Explanation of variances 2022/23 – pro forma

**Name of smaller authority:**

**Insert figures from Section 2 of the AGAR in all Blue highlighted boxes**

**Now, 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 £500);
- variances of more than £100,000 must be explained even where this constitutes less than 15%;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

**Please ensure variance explanations are quantified to reduce the variance excluding stated items below the 15% / £500 / £100,000 threshold**

| | 2022 £ | 2023 £ | Variance £ | Variance % | Explanation Required? Is > 15% | Is > £100,000 | DO NOT OVERWRITE THE BOXES HIGHLIGHTED IN RED/GREEN | Explanation (must include narrative and supporting figures) |
|---|---|---|---|---|---|---|---|---|
| 1 Balances Brought Forward | 274,471 | 310,203 | | | | | Explanation of % variance from PY opening balance not required - Balance brought forward agrees | |
| 2 Precept or Rates and Levies | 347,575 | 359,219 | 11,643 | 3.35% | NO | NO | | |
| 3 Total Other Receipts | 81,823 | 143,692 | 61,869 | 75.61% | YES | NO | | Income from hospitality increased as activities recovered in the first full year after COVID. Community Hall hire was back up to previous levels (an increase of £25,372), Pavilion (£2485), bar sales (£25,154). The Council also started organising its own events and functions which brought in £6156. Interest rates increased on CCLA dividends which yielded an additional £4025. Total explained £63, 192 which leaves a 1.62% variance. |
| 4 Staff Costs | 194,347 | 248,702 | 54,355 | 27.97% | YES | NO | | Increased staff costs were budgeted for as it was hoped the Council's business activities would recover from COVID trading. Additional bar staff due to increased functions (£1434); NALC pay award for FT & PT members of staff plus associated increased pension contribution (£18,174); SCP pay increases according to contract plus pension (£2622); park staff on long-term sick which needed covering with additional hours (£5221); additional member of hospitality staff needed due to increased bookings (£13585 inc pension); relief caretaker to cover sickness in Arden Hall (£2086); increased Employers National Insurance contributions due to a FT member of staff replacing 2 x PT (£1948). Total explained £45 070 which leaves a 4.78% variance. |
| 5 Loan Interest/Capital Repayment | 0 | 0 | 0 | 0.00% | NO | NO | | |
| 6 All Other Payments | 199,320 | 174,246 | -25,074 | 12.58% | NO | NO | | |
| 7 Balances Carried Forward | 310,203 | 390,166 | 79,963 | 25.78% | N/A | N/A | | |
| 8 Total Cash and Short Term Investments | 323,094 | 409,442 | 86,348 | 26.73% | N/A | N/A | | |
| 9 Total Fixed Assets plus Other Long Term Investments and Assets | 3,275,897 | 3,286,968 | 10,071 | 0.31% | NO | NO | | |
| 10 Total Borrowings | 0 | 0 | 0 | 0.00% | NO | NO | | |
| Excessive Reserves Ratio | 0.89248 | 1.08615 | | | | | | |

# Reconciliation between Box 7 and Box 8 in Section 2

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

Name of smaller authority: Castle Bromwich Parish Council

County area (local Councils and Parish meetings only):

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 diffference between them is equal to the difference between Boxes 7 and 8.

| | | £ | £ |
|---|---|---|---|
| **Box 7: Balances carried forward** | | | £390,166.13 |
| Deduct: | Debtors | -£4,831.46 | |
| | Vat | -£6,429.72 | |
| | Payments in advance | £0.00 | |
| | Stock opening value | £0.00 | |
| | Stock change | £0.00 | |
| | Total deductions | -£11,261.18 | £378,904.95 |
| Add: | Creditors | £28,312.44 | |
| | Vat Payable | £0.00 | |
| | Receipts in advance | £2,225.00 | |
| | Total additions | £30,537.44 | £409,442.39 |
| **Box 8: Total cash and short term investments** | | | £409,442.39 |

**This explains the difference between box 7 and box 8**

Smaller authority name: **Castle Bromwich Parish Council**

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

## ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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

| NOTICE | NOTES |
|---|---|
| **1. Date of announcement** Sunday 4 June 2023 (a) | (a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below |
| **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.**<br>**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 2023, these documents will be available on reasonable notice by application to:**<br>(b) Gemma Burgess, Clerk & RFO<br>Council Office, Arden Hall, Water Orton Rd, Castle Bromwich B36 9PB<br>clerk@castlebromwichpc.gov.uk 0121 747 6503 | (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 |
| commencing on (c) Monday 5 June 2023 | (c) Insert date, which must be at least 1 day after the date of announcement in (a) above and extends for a single period of 30 working days (inclusive) ending on the date appointed in (d) below |
| and ending on (d) Friday 14 July 2023<br>**[the 30th working day after (c) above]** | (d) The inspection period between (c) and (d) must also include the first 10 working days of July. |
| **3. Local government electors and their representatives also have:**<br>• The opportunity to question the appointed auditor about the accounting records; and<br>• 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.<br>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only. | |
| **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:**<br>MOORE<br>**Moore (Ref AP/HD)**<br>**Rutland House**<br>**Minerva Business Park**<br>**Lynch Wood**<br>**Peterborough**<br>**PE2 6PZ** | |
| **5. This announcement is made by (e) Gemma Burgess, Clerk & RFO** | (e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority |

## Contact details

Name of smaller authority: **Castle Bromwich Parish Council**

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

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

| | Clerk/RFO (Main contact) | Chair |
|---|---|---|
| **Name** | Gemma Burgess | Cllr. Pauline Allen |
| **Address** | Castle Bromwich Parish Council<br>Arden Hall<br>Water Orton Rd<br>Castle Bromwich<br>B36 9PB | 14 Drummond Way<br>Chelmsley Wood<br>Solihull<br>B37 7RT |
| **Daytime telephone number** | 0121 747 6503 | 0121 624 3694 |
| **Mobile telephone number** | 07376 161426 | 07598 350184 |
| **Email address** | Clerk@castlebromwichpc.gov.uk | paulinea@e.castlebromwichpc.gov.uk |

## Gemma Burgess

**From:** Warks SA <warks.sa@mooreuk.global>
**Sent:** 20 April 2023 10:27
**To:** Gemma Burgess
**Subject:** Intermediate Request

Dear Clerk,

Based on your Council's results for the year ended 31 March 2023 we note your authority to be intermediate by size (income and/or expenditure greater than £200k).

On this basis, we have considered the additional information required to be submitted in relation to your intermediate review and would appreciate it if you submit the following items:

a) A copy of the financial statements on which Section 2 of the Annual Return is based (if prepared) and a reconciliation between the two

b) Confirm that arrangements are in place to ensure systems of internal control are fully documented and provide details of how this was administered and monitored during the period 1 April 2022 to 31 March 2023

c) Confirm that all internal and external reports received during the year (1 April 2022 to 31 March 2023) have been placed before and considered by the Council and provide an extract of the minute in the year in relation to this.

d) Provide evidence of where issues raised within internal and external audit reports received during the year (1 April 2022 to 31 March 2023) have been considered by the Council including minutes where revised procedures have been adopted during this (where not already covered by point a).

e) Give a breakdown of the year end reserves held by the Council identifying any amounts included that relate to specific projects or earmarked funds.

f) Please provide a copy of the relevant trust deed for each of the charities for which the council is sole managing trustee (if applicable)

If you have any queries in relation to this, please contact us further to discuss.

Kind regards,

Smaller Authorities Team

This email has been scanned for spam & viruses. If you believe this email should have been stopped by our filters, click here to report it.

# Castle Bromwich Parish Council

Council Office, Arden Hall, Water Orton Road,
Castle Bromwich, Solihull, B36 9PB
**0121 747 6503**
counciloffice@castlebromwichpc.gov.uk
www.castlebromwichpc.gov.uk


June 2023

## Intermediate External Audit – Additional Information

**a) Financial Statements on which Section 2 of the Annual Return is based and a reconciliation between the two.**
Included are the print outs from the accounting software package; "Statement of Accounts" and "Financial Summary – Cashbook".

**b) Internal Control Arrangements**
Informal internal control meetings took place during the year to produce and refine a structured document which will be used going forward. The Finance and General Purposes Committee maintains oversight over the financial procedures and documents throughout the year which are minuted. This was slightly delayed due to staff absence. The first official internal control check took place on 8th March 2023 and was reported to Council as below. A schedule of quarterly internal control checks using the new document was approved C23-093.

| | |
|---|---|
| F23-009 | **Internal Control Checks:**<br>a) The Internal Control report of 08/03/23 was noted.<br>b) A weakness found during the control checks, that sometimes only one member of staff is involved in their own reimbursement of petty cash, was considered. The Clerk explained the scope of petty cash purchases and that making reimbursement difficult would simply result in members of staff being unwilling to assist in making these purchases. It was also noted that all members of staff are expected to handle cash from customers. It was agreed that a recommendation should be made to full Council that this risk is acknowledged but accepted.<br>c) The risk register was considered with no amendments necessary.<br>d) Councillors involved in the internal control checks reported that the new template form was sufficient for checks going forward and based on the Internal Audit. |
| C23-093 | **g) Internal Control Checks:** The schedule of checks (as below) was noted. |

| | | |
|---|---|---|
| Q1 | Cllrs. Beechey & Temperton | Mid July |
| Q2 | Cllrs. Strong, Ward & Wheeldon | Mid Oct – evening |
| Q3 | Cllrs. MacDonald, Haywood | Wk beg 22nd Jan |
| Q4 | Cllrs. Riordan & Allen | Mid April |

**c) Internal and External Audit reports**

| | |
|---|---|
| F22-030 | **Internal Audit Report:** The report was noted and will be presented to full council. |
| C22-065 | **Internal Auditor's Report for the Year Ending 31st March 2022:** The report was noted (attached at p9). |
| F23-008b | The Internal Auditor's draft 2022-23 report was noted. |

| | |
|---|---|
| F22-041 | **AGAR:** The "except for" matters on the 2021-22 AGAR External Auditor Report were noted (attached p26-27). The Clerk explained that the Council needs to adopt an asset valuation policy and 'restate' the 2021-22 figures on the 22-23 AGAR so that a direct comparison can be drawn between the years. |
| F23-008 | **Audit:**<br>a) "Except for" matters raised by the External Auditor in 2021-22 (attached at pp35-36):<br>The matters raised by the external auditor were considered. |
| C23-065 | **Finance and General Purposes Committee**:<br>a. The minutes of the meeting held on 15th March 2023 were noted. |

## d) Action on Internal and External reports

**Internal Audit 21-22 report**

**E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. *No***

IA's *Note – the 'no' assessment relates to the control systems being inadequate to provide certainty (assurance) that all income due from the bar activities is generated or received.* This was flagged up by THE Internal Auditor during the year and corrected in-year with the following explanation submitted to the auditor with the 21-22 AGAR:

Business activities in hospitality such as the operation of the licensed bars resumed during 21-22 following a long period of being closed through the COVID-19 pandemic. The operation of the bars had only come back in-house in late 2019 and staff were still getting used to new software and systems.

During the course of 21-22, it was found that the new till system did not offer the level of reporting necessary and couldn't track stock levels due to the units it worked in (i.e. half a pint and one pint were both counted as the same unit). This meant that expected income could not be measured against stock levels. The end of function reporting consisted of various pieces of paper and were not traceable back to prime records. This led to a lack of assurance that all income due was received. Some discrepancies were traced back to card payments not being authorised without staff realising.

The Council has taken significant steps to improve the situation:

- The tills have been reprogrammed and provide detailed reports on sales, stock and products.
- Each user has a personal ID which has tailored permissions depending on level of authority.
- The Clerk / RFO has a terminal on the computer to check user-reported print outs with the system to ensure that the data hasn't been manipulated and that totals across all sessions & terminals reconcile.
- More regular stock checks are undertaken and reported to the Leisure Services Committee.
- An external quarterly stock checker has been appointed.
- A report of expected vs actual income is presented to Council and discrepancies are approved (either up or down).
- Staff have been re-trained on using the card payment terminals and the tills.
- The Clerk/RFO has online access to all transactions submitted through the card payment terminals.
- A new coin counting machine has been purchased to minimise cash handling.
- Banking is done more frequently.

**H. Asset and investments registers were complete and accurate and properly maintained.**
No – during the year but was corrected by year-end and submitted with the 2021-22 AGAR and explained to the auditor that year as action on the 20-21 External Audit report.

## External auditor report 2021/22

On 28 September 2022, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2022. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR 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.

The smaller authority has not addressed the 'except for' matter raised by the external auditor when qualifying the prior year annual return, since the smaller authority has not restated the 2020/21 Section 2 Box 9 figure as a result of the revaluation this year.

The smaller authority has confirmed that it owns community fixed assets, but that the recognition policy for those assets is to value them all at £Nil. This policy does not give a reader of the Accounting Statements the ability to draw any meaning from the Box 9 figures stated on the AGAR or to recognise any changes in those assets year to year. The Practitioners' Guide (the Guide) states that smaller authorities 'need to apply a reasonable approach to asset valuation which is consistent from year to year'. Under this range of possible approaches, all assets are expected to carry some value, however small. In particular, the Guide states that where assets are gifted at zero cost to the authority they should be recorded at a nominal value of £1, and the same applies to community assets. The smaller authority should therefore reconsider the valuation policy for all fixed assets and draw up a policy to be approved by the authority and recorded in both the authority's minutes and in the asset register. When submitting the 2022/23 AGAR, the smaller authority should ensure that the 2021/22 comparative figure in Box 9 is restated for consistency and comparability.

| | |
|---|---|
| F22-041 | **AGAR:**<br>a) The "except for" matters on the 2021-22 AGAR External Auditor Report were noted (attached p26-27). The Clerk explained that the Council needs to adopt an asset valuation policy and 'restate' the 2021-22 figures on the 22-23 AGAR so that a direct comparison can be drawn between the years.<br>b) The JPAG Practitioners Guide was considered. The following principles will be recommended to Full Council:<br>- Valuation is based on purchase price<br>- No depreciation calculation is to be used<br>- Gifted assets to be valued at £1 |
| F23-008 | **Audit:**<br>a) "Except for" matters raised by the External Auditor in 2021-22 (attached at pp35-36): The matters raised by the external auditor were considered.<br>- The 2020-21 asset figure should have been restated to allow for a direct comparison between figures based on the same asset valuation method (attached p37). It is not possible to remedy this now, but the Council is now aware of this stipulation.<br>- Community or gifted assets should carry a nominal value. This will be recommended to Council, as will the need to restate the 2021-22 figures. It was noted that the recommendation made in F22-041b had not yet been approved by Council so the following principles will be recommended:<br>➢ Valuation is based on purchase price<br>➢ No depreciation calculation is to be used<br>➢ Gifted assets to be valued at £1<br><br>Additionally, the external auditor noted that the Council had self-reported not complying with assertion Section 1, Box 2 but found the explanation to be acceptable and timely.<br>b) The Internal Auditor's draft 2022-23 report was noted. |
| C23-065 | **Finance and General Purposes Committee**:<br>b. The minutes of the meeting held on 15th March 2023 were noted.<br>c. Recommendations were considered: |

i. Asset Valuation:
**RESOLVED:** That, when valuing assets, valuation is based on purchase price, no depreciation calculation is to be used and that Gifted and Community assets be valued at £1

ii. Restating 2021-22 AGAR figures:
**RESOLVED:** That, following the revised policy on asset valuation, the 2021-22 AGAR Community Asset figures be restated on the 22-23 AGAR (attached at p5).

iii. Petty Cash Policy:
**RESOLVED:** That the Council acknowledges that, at times, reimbursement of petty cash is done only by the individual claiming it and the Council accepts this risk.

d. The Asset Register at year ending 31st March 2023 was considered (summary page attached at p5).
**RESOLVED:** That the Asset Register at year ending 31st March 2023 be approved.

## e) Reserves

The year end reserves, as approved at C23-065d and predicted for the following year, are set out below.

| | | | | | | SUGGESTED EMR | |
|---|---|---|---|---|---|---|---|
| Ear Marked Reserves at | 31.03.21 | at 31.03.22 | move | 31.03.23 | move | 31.03.24 | |
| EMR - OS / Pav R&R | £14,999.68 | £14,999.68 | 55000 | £69,999.68 | | £69,999.68 | PV heating & shower room |
| EMR - Tree Maintenance | £20,000.00 | £17,030.00 | -2000 | £15,030.00 | | £15,030.00 | |
| EMR - Playgrounds | £17,093.00 | £39,568.00 | | £113,000.00 | -113000 | £0.00 | put in revenue spend |
| EMR - Youth Council VG | £250.00 | £250.00 | | £250.00 | | £250.00 | |
| EMR - Capital Projects | £30,000.00 | £30,000.00 | | £30,000.00 | | £30,000.00 | |
| EMR - War Memorial | - | £4,000.00 | 5000 | £9,000.00 | | £9,000.00 | |
| EMR - Election Costs | £500.00 | £1,000.00 | | £1,000.00 | -£1,000.00 | £0.00 | put in revenue spend |
| | £82,842.68 | £106,847.68 | | £238,279.68 | | £124,279.68 | |

The titles are mainly self-explanatory – the first one relates to Open Spaces and Sports Pavilion refurbishment, we are saving towards a new heating system and refurbishing the shower room including associated drain/sewerage.

## f) Trust Deeds – NOT APPLICABLE

# Section 1 - Statement of accounts - English version

## Castle Bromwich Parish Council

| | Annual return last year | Year ending 31 March 2023 £ | Variance |
|---|---|---|---|
| 1. Balances brought forward | 274,471.03 | 310,203.19 | |
| 2. (+) Annual precept | 347,576.00 | 359,219.00 | 3.35% |
| 3. (+) Total other receipts | 81,822.88 | 143,692.17 | 75.61% |
| 4. (-) Staff costs | 194,346.82 | 248,702.04 | 27.97% |
| 5. (-) Loan interest / capital repayments | 0.00 | 0.00 | 0.00% |
| 6. (-) Total other payments | 199,319.90 | 174,246.19 | -12.58% |
| 7. (=) Balances carried forward | 310,203.19 | 390,166.13 | |
| 8. Total cash and investments | 323,093.82 | 409,442.39 | |
| 9. Total fixed assets and long term assets | 3,275,897.00 | 3,285,968.00 | 0.31% |

Signed

Chair

Clerk / Responsible Financial Officer

# Financial Summary - Cashbook

Summary of receipts and payments between 01/04/22 and 31/03/23 inclusive. This may include transactions with ledger dates outside this period.

Balances at the start of the year

**Ordinary Accounts**

| | |
|---|---|
| Bar Float | £1,055.00 |
| Chairman's Charity Fund | £485.16 |
| Lloyds disbursements | £30,245.44 |
| Lloyds General | £120,961.77 |
| Petty Cash | £372.56 |
| UTB Disbursements | £18,973.89 |

**Short Term Investment Accounts**

| | |
|---|---|
| CCLA | £151,000.00 |
| Total | £323,093.82 |

| RECEIPTS | Net | Vat | Gross |
|---|---|---|---|
| Democratic Services | £379,220.51 | £0.00 | £379,220.51 |
| Arden Hall | £70,112.30 | £27.40 | £70,139.70 |
| Bar | £44,932.45 | £8,942.77 | £53,875.22 |
| Open Spaces & Pavilion | £23,092.52 | £0.00 | £23,092.52 |
| Total Receipts | £517,357.78 | £8,970.17 | £526,327.95 |

| PAYMENTS | Net | Vat | Gross |
|---|---|---|---|
| Democratic Services | £127,824.29 | £4,243.19 | £132,067.48 |
| Arden Hall | £149,392.35 | £8,919.04 | £158,311.39 |
| Bar | £24,091.14 | £3,664.14 | £27,755.28 |
| Open Spaces & Pavilion | £113,384.22 | £8,461.01 | £121,845.23 |
| Total Payments | £414,692.00 | £25,287.38 | £439,979.38 |

Closing Balances

**Ordinary Accounts**

| | |
|---|---|
| Bar Float | £1,055.00 |
| Chairman's Charity Fund | £553.16 |
| Lloyds disbursements | £8,974.66 |
| Lloyds General | £125,231.85 |
| Petty Cash | £420.70 |
| UTB Disbursements | £22,207.02 |
| | £158,442.39 |

**Short Term Investment Accounts**

| | |
|---|---|
| CCLA | £251,000.00 |
| | £251,000.00 |
| Total | £409,442.39 |

Uncleared and Unpresented effects

Statement Closing Balances

**Ordinary Accounts**

| | |
|---|---|
| Bar Float | £1,055.00 |
| Chairman's Charity Fund | £553.16 |

| | |
|---|---|
| Lloyds disbursements | £8,974.66 |
| Lloyds General | £125,231.85 |
| Petty Cash | £420.70 |
| UTB Disbursements | £22,207.02 |
| **Short Term Investment Accounts** | |
| CCLA | £251,000.00 |
| Total | £409,442.39 |

| | |
|---|---|
| Reserve Balances | |
| Tree Maintenance | £15,030.00 |
| OS/Pavilion | £69,999.68 |
| Capital Projects | £30,000.00 |
| Playgrounds | £113,000.00 |
| Youth Council | £250.00 |
| Election Costs | £1,000.00 |
| War Memorial | £9,000.00 |
| Reserves total | £238,279.68 |

Signed _____ _____

Chair Clerk / Responsible Financial Officer