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 **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 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

Castle Bromwich Parish Council

https://www.castlebromwichpc.gov.uk/

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.	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

18/01/2022

Name of person who carried out the internal audit

Duncan Edwards (DKE Audit Services)

Signature of person who carried out the internal audit 

Date 29/04/2022

*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:

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 2022, that:

	Agreed		
	Yes	No*	'Yes' means that this authority:
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.*

	Yes	No	N/A	
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.			✓	*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:

25/05/2022

and recorded as minute reference:

C22-066a.

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

Chairman P.S. Allen

Clerk G.M. Burgess

www.castlebromwichpc.gov.uk

Section 2 – Accounting Statements 2021/22 for

Castle Bromwich Parish Council

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	*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	158,417	274,471	*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	337,452	347,576	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	67,736	81,823	*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	174,300	194,347	*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	114,834	199,320	*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	274,471	310,203	*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	258,189	323,094	*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	3,413,721	3,275,890	*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

GM Burgess

Date 19/05/2022

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

25/05/2022

as recorded in minute reference:

C22-066b.

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

Section 3 – External Auditor Report and Certificate 2021/22

In respect of **Castle Bromwich Parish Council - WA0050**

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 report 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 (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 submitted its AGAR and supporting documentation prior to 30 September 2022; however, we have not been able to complete our review work in time to enable to smaller authority to publish the required documentation in line with statutory requirements. Once we have completed our review a final report will be provided with the certificate of completion detailing any qualifications and 'other' matters.

Our fee note for the limited assurance review will be issued when we certify completion.

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

Please see above.

3 External auditor certificate 2021/22

We 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:

We have not been able to complete our review work in time to enable to smaller authority to publish the required documentation in line with statutory requirements.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature  Date 28/09/2022

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Final External Auditor Report and Certificate 2021/22 in respect of CASTLE BROMWICH PARISH COUNCIL - WA0050

Respective responsibilities of the body and the auditor

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.

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.

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

The smaller authority has confirmed that it has not complied with the governance assertion in Section 1, Box 2, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

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PKF Littlejohn LLP, Chartered Accountants. A list of members' names is available at the above address. PKF Littlejohn LLP is a limited liability partnership registered in England and Wales No. OC342572. Registered office as above. PKF Littlejohn LLP is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to weaknesses in relation to income and the asset register. We note that action has taken place to address these areas of weakness in a timely manner.

External auditor certificate 2021/22

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

PKF Littlejohn LLP

PKF Littlejohn LLP
02/11/2022

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Castle Bromwich Parish Council
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WA0050 Castle Bromwich Parish Council

Section 1 – Annual Governance Statement 2021/22 – 'No Response' explanation

Explanation for provision of 'No' response to Assertion 2
Assertion 2 states: We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. ('Yes' means the council made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.)

Reason for 'no' response
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.

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agre column headed "Year ending 31 March 2022" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are pre and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as nega

Name of smaller authority: Castle Bromwich Parish Council

County area (local councils and parish meetings only): Warwickshire

Financial year ending 31 March 20xx

Prepared by (Name and Role): Gemma Burgess: Clerk & RFO

Date: 25/04/2022

		£	£
Balance per bank statements as at 31/3/22:			
CCLA	account 1	151,000.0	
Chairman's Charity Fund	account 2	485.2	
Lloyds disbursements	account 3	30,245.4	
Lloyds General	account 4	120,961.8	
UTB Disbursements	account 5	18,973.9	
UTB General (closed)	account 6	-	
UTB Salaries (closed)	account 7	-	
			321,666.3
Bar float		1,055.0	
Petty cash float (if applicable)		372.6	1,427.6
Less: any unpresented cheques as at 31/3/22 **(enter these as negative numbers)**			
NONE	item 1		
	item 2		
			-
Add: any un-banked cash as at 31/3/22			
NONE			
			-
Net balances as at 31/3/22 (Box 8)			**323,094**

Explanation of variances – pro forma

Name of smaller authority: Castle Bromwich Parish Council
County area (local councils and Warwickshire

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	158,417	274,471				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	337,452	347,576	10,124	3.00%	NO		
3 Total Other Receipts	67,736	81,823	14,087	20.80%	YES		Income in 2020/21 was primarily from a COVID support grant of £55780 which means true income from business activities was £11956. In 2021/22 business activities slowly resumed post-pandemic with additional income figures on the previous year of: Pavilion Hire (£10876), Bars (£18820), Community Hall hire (£36955) and sports pitch hire(£2850). This brings the figure to £81457.
4 Staff Costs	174,300	194,347	20,047	11.50%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	114,834	199,320	84,486	73.57%	YES		Additional spending in 2021/22 was a new heating system in the community hall (£35 000), additional repairs and maintenance in the community hall including upgrades to electrics (£11 787), Bar stock purchased as zero stock levels post-pandemic reopening (£11 300), work could safely be carried out in the open spaces and Pavilion such as tarmacking areas, wetpour surfacing repairs, fencing, anti-trespass measures and a new waste water pump (£14 500), additional utilities spend once the community centre reopened (£3138) and tree maintenance work (£3070). This brings the difference to £78 795 which represents a 2.94% difference.
7 Balances Carried Forward	274,471	199,320			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	258,189	310,203				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	3,413,721	3,275,890	-137,831	4.04%	YES		It has been acknowledged over the past 2 years that the asset register has not been maintained. The information held from 2016/7 was so outdated that a full new asset register was created. JPAG advice was taken so that the war memorial, which had previously been valued at £51986 is now listed at £zero as a community asset. Removing this value means there is 2.55% difference and an explanation would not be required.
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

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: Castle Bromwich Parish Council

County area (local councils and parish meetings only): Warwickshire

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

	£	£
Box 7: Balances carried forward		**£310,203**
Deduct: Debtors **(enter these as negative numbers)**		
1. Debtors	(2,810.64)	
2. VAT recoverable	(5,189.94)	
	(8,000.58)	
Deduct: Payments made in advance (prepayments) **(enter these as negative numbers)**		
Payments made in advance	(764.79)	
	(764.79)	
Total deductions		(8,765.37)
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
1. Creditors	20,821.00	
2. VAT payable	-	
	20,821.00	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
1. Receipts in advance 2	835.00	
	835.00	
Total additions		21,656.00
Box 8: Total cash and short term investments		**323,094**

Section 3 – External Auditor Report and Certificate 2020/21

In respect of **CASTLE BROMWICH PARISH COUNCIL – WA0050**

1 Respective responsibilities of the body and the auditor

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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2020/21

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 AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- As reported last year, information received from the smaller authority indicates that assets purchased in prior years have not been included in Section 2, Box 9.

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

The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 2 and 7. It has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

In the completion of the Annual Internal Audit Report, and their detailed reports, the internal auditor has drawn attention to significant weaknesses in respect of ICO B, C and H. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

3 External auditor certificate 2020/21

We 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 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature  Date 05/09/2021

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

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

WA0050 Castle Bromwich Parish Council – 2021/22 AGAR

Action on 'except for' matters from external audit 2020/21

• As reported last year, information received from the smaller authority indicates that assets purchased in prior years have not been included in Section 2, Box 9.

The action taken in financial year 2021/22 was to reassess the asset register in entirety. The buildings were revalued for insurance purposes but stated as historic value on the AGAR.

JPAG advice was followed which meant that the War Memorial was reclassified as a £0 community asset. Every other item owned by the Council was catalogued, the last 10 years of purchases were gone through in detail – where no purchase price could be found, a working party came together to make a sensible estimate. Everything over £1000 was listed on the AGAR as previously adopted, (without information on the previous system £500 was agreed by FGP, but overridden by Full Council on adoption.)

The asset register is now up-to-date and new inventory is added upon purchase.

15/09/21	F21-049	**Audit:** a) The PKF Littlejohn External Auditor's report for 20-21 was noted with no unexpected matters raised. (attached pp20) The Clerk reported that the full audited AGAR 20-21 was available on the website and that the conclusion of audit notice has been published. b) **Asset Register:** The administrative officer has completed a list of equipment at the Council but the Clerk is having difficulty in finding the historic value of property. Progress will be reported to the next meeting. **RESOLVED:** That assets valued under £500 shall have a null value for asset register purposes. c) **Internal Audit Recommendations:** The Clerk reported that progress has not been made over the summer and assistance is needed to keep momentum on improvements. Cllr. A Haywood and Cllr. S Beechey agreed to form a working party with the Clerk. Cllr. J Riordan asked for clarification as to whether a Reserves Policy had been drafted in September 2020, as the action points suggest. The Clerk reported that she was unaware of the draft and this appears to have been missed in handing over from the Support Officer. https://www.castlebromwichpc.gov.uk/wp-content/uploads/2021/09/FGP-2021-09-15M.pdf
13/10/21	F21-061	**Internal Audit Recommendations:** The Clerk reported that the 17-18 accounts showed the breakdown in how the previous asset register was calculated which will be a helpful starting point. The Clerk will meet with the working party soon. **https://www.castlebromwichpc.gov.uk/wp-content/uploads/2021/10/FGP-2021-10-13M.pdf**

12/01/2022	F22-009	**Asset Register:** The Clerk demonstrated the progress that has been made in establishing a completely new asset register through cataloguing the contents of all facilities and finding corresponding orders/financial transactions. There is still work to be done but will be finished by the end of the financial year. https://www.castlebromwichpc.gov.uk/wp-content/uploads/2022/01/FGP-2022-01-22M.pdf
09/03/22	F22-021	**Asset Register:** JPAG advice on how community assets and other assets are recorded was considered. The Clerk presented the full asset register and summary (attached p24). It was agreed that the Committee should review the asset register every September to inform budget setting. **RESOLVED**: To follow JPAG guidance on community advice and propose the approval of the revised asset register to Council. https://www.castlebromwichpc.gov.uk/wp-content/uploads/2022/05/FGP-2022-03-09M-1.pdf
30/03/22	C22-031f	**Asset Register:** The full list of assets as circulated with agenda was noted, as was the fact that it is a working document. The Finance and General Purposes Committee recommended that the Asset Register summary be approved for AGAR purposes. **RESOLVED:** That the asset register summary be approved (pp6) and that the asset figure of £3,275,890.00 be reported on the AGAR. https://www.castlebromwichpc.gov.uk/wp-content/uploads/2022/04/2022-03-30-CBPC-OM-Minutes.pdf

ASSETS

Assets are defined as land, buildings, vehicles, plant and equipment with a value in excess of £1,000. At 31/3/22 the following assets were held:

		AGAR
Buildings	Arden Hall	2,373,439.00
	Workshop	113,040.00
	Sports Pavilion	547,564.00
Community Assets	Bradford Gardens	0.00
	Castle Bromwich Playing Field	0.00
	Hob Farm Recreation Ground	0.00
	Small Green	0.00
	Village Green	0.00
	War Memorial	0.00
	Whateley Green	0.00
Infrastructure Assets	Street Furniture	3,145.00
	Gates & Fences	97,083.00
	Playground Equipment	100,969.00
Vehicles, Plant, Furniture & Equipment:		
	Arden Hall	30,289.00
	Pavilion	8,361.00
	Council Office	2,000.00
		3,275,890.00

DKE AUDIT SERVICES

INTERNAL AUDITOR

Specialist provider to Parish & Town Councils

Castle Bromwich Parish Council

Internal Auditors assessment for the completion of the AGAR Part 3 – Financial Year 2021-22

I have concluded the Council's annual internal audit. I am therefore able to complete the Annual Internal Audit Report 2021/22 which forms part of the Annual Governance and Accountability Return (AGAR).

My internal audit considers the evidence available to assess and ensure the Council has effective governance arrangements in place for the areas examined. In examining the governance arrangements focus has been placed on compliance with the Council's key governance 'rules', its management of risk and its financial controls. Consideration is given to the size and scope of activities undertaken by the Council.

The internal audit is not designed to identify all weaknesses in the Parish Council's systems but, it is a sample examination of systems and of testing those systems. Where weaknesses are identified during the internal audit process, which impact on governance and control, recommendations are made.

The responsibility for the prevention and detection of fraud, error and non-compliance with the law or regulations rests with the Council. The internal audit should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance as may exist.

2. Summary

In the section below I have recorded my AGAR responses and offered some comments by way of explanation for these. Members need to be mindful that this assessment is for governance and control during 2021/22 to the time of the audit review.

The Council and the Parish Clerk continue to make improvements to the operating systems and control arrangements. During this internal audit review a number of improvement opportunities have been identified and recommendations have been made. In addition, there are some previous year recommendations where progress has been made but the action has not been fully completed. Previous year recommendations have been combined with current year recommendations to give a single improvement plan.

3. Internal Audit Assessment

The table below follows the format of the AGAR, for each section questions have been answered with supporting evidence provided which has been examined and assessed.

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
A. Appropriate accounting records have been properly kept throughout the financial year.	**Yes**
The Council has effective procedures to accurately and promptly record all financial transactions. In the previous financial year, the Council has changed its accounting software, and as greater familiarity with the system has occurs enhanced control and reporting arrangements have been developed and introduced. The direct links between the facilities management side of the systems and the finance module have been viewed. Although there is partial integration some manual intervention is needed to ensure the accurate allocation of funds in the finance module, the arrangements operating minimises the opportunity for error. The opportunity to use reporting function, for example exception reports, to enhance the control process have been discussed with the Clerk and will be developed. The finance system ordering function is used and the confirmation of the receipt the goods, works or services is recorded. Invoices are recorded against the initial order and therefore payments made are supported by purchase orders or order confirmations, delivery acknowledgements and invoice or other appropriate evidence. Copy invoices or payment supporting evidence is retained along with scanned copies that are linked to each payment. Source records are retained to support receipts. The cashbook kept up to date, payments and receipts are reported to the Finance & General Purposes Committee (F&GP) and Council. Comments made in the sections below further support this overall assessment.	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved VAT was appropriately accounted for.	**Yes**
The Council revised and approved the most recent versions of its Financial Regulations and Standing Orders at its June 2020 meeting and is the most recent version from Nalc. Last year the Clerk advised that the Scheme of Delegation and the Financial Regulations contradict in certain areas. An emergency scheme of delegation was approved by the Council in support of operation requirements. At the time of the internal audit review the Financial Regulations were in the process of being reviewed with on-going discussions between the Clerk and the Council to amend Financial Regulations to formally include the delegations that support operational operating practice whilst retaining effective control arrangements. It is understood that once the revised Financial Regulations have been revised there will be an annual review and approval arrangement.	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
The Council has an Internal Control Policy. At the time of the internal audit review two internal checks had been undertaken this year. The internal control check is an opportunity view the control process operating, to test these and to provide the members with ongoing assurance that controls are effective and there is compliance. The process is in need of greater structure and formal recording to show the scope of the checks, the tests carried out and the results. **See Recommendation 1 below** A sample examination of a number of payments selected from the cashbook has been undertaken, to gain confirmation that payments have been made in accordance Financial Regulations. The sample showed payments made are supported by invoices or other documents that evidence payment as due, where requested the Clerk provided further information and explanation. The payment process and controls have been reviewed. Payment schedules have been presented and approved, and VAT has been appropriately accounted for. Effective management and control over the Council's bank accounts is present, the bank mandate has been updated. Last year's internal audit testing was followed up and the following found; • For the grounds maintenance contract there is now a contractor works programme that shows what tasks are due when. This enables the comparison of the tasks due to the tasks undertaken (via inspection) to the invoice. • Confirmation was given that the payment due the Chair was resolved in 202021 and that the terms of the service obtained from Suez Recycling and Recovery UK for waste collection have been confirmed.	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	**Yes**
The Council has a risk management policy that covers the areas expected having considered the activities undertaken by the Council, it follows the principles detailed in the JPAG Governance and Accountability Practitioners Guide. The F&GP Committee considered the Councils risk register at its meeting of 11 March 2021, risks were next reviewed at the meeting of 6 January 2022. The Council has no 'red' risks on its most recent risk register indicating it is managing all of its risks to the desired levels. A risk mitigating action is to insure, and the Council has reviewed its insurance arrangements. The risk assessments are produced for specific council organised events, and contractor risk assessment and method statements are obtained for contract as appropriate.	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
Although the Council has a risk policy and well-structured risk register it should consider if the frequency of review and the arrangements in place to give assurance that risk controls are effective and operate. The risk management process should be integral to the Councils operations and management and control; the risk register being a 'live' document, considered as risk arise, with specific risks being monitored in relation to the control requirements and the potential impact on the Council. **See Recommendation 2 below**	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	**Yes**
The budget covers all of the Councils activities, income sources and expenditure, and this structure is used for budget monitoring reports. An effective budget setting process operated for the current year, it identified the Councils funding need based on services and commitments. The precept was set in accordance with the agreed and approved budget requirement. During the year budget monitoring has occurred. The Council has funds linked to the letting of its facilities and as these sources of receipts and payments become more stable there should be opportunity for enhance profiled budgeting. **See Recommendation 3 below** A specific area where budget monitoring should offer greater assurance is the operation of the bar facility. Evidence could not be provided that the bar function was effectively controlled and monitored areas being; expected trading position to actual, stock management and control. **See Recommendation 4 below** The Council has a Reserves Policy and has set its general reserve in line with guidance. The Council considered the appropriateness of Earmarked Reserves for future spending plans at its January 2022 meeting.	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	**No**
The Council receives significant income beyond the precept, the levels of income are recovering following the Covid-19 constraints.	

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
The Council now have effective debt management arrangement. The system to manage and control the letting of facilities is effective. However, the control over the income due and received from the bar is in need of improvement, income due from the sale of stocks cannot be proven at present. Equally, the arrangements to control the movements of cash and its safe keeping is in need of review, this has been discussed with the Clerk. The arrangements to ensure a complete audit trail is present from the receipt of income for the hire of services through to banking should operate. A sample examination of a number of receipts selected from the cashbook has been undertaken, to gain confirmation that receipts have been controlled. The sample showed the receipts recorded in the accounting system are supported by source records. However, the audit trail is not complete in some instances to provide certainty over the accuracy of those source records. **See Recommendation 5 a,b,c below** VAT is raised from income sources as required, and is properly recorded. 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 - expected bar income is not established based on stock movements to therefore confirm it is received. Control over other income sources is present, but the audit trail could be enhanced (Recommendation 5c).	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	**Yes**
The Council does not have a Petty Cash Policy, but there is an understanding of why and how petty cash can be used. It is understood petty cash is managed by the Hall Manager. Evidence was provided to show how petty cash is used and that periodic checks and reimbursement is carried out. The Council operates change floats for the bar function and these are controlled through the bar session opening and closing processes.	
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.	**Yes**

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
The Council has a Staffing Committee to oversee staffing matters including salary setting. The Council also retains the services of HR consultants to support its personnel arrangements. The Council has been moving staff to monthly payment. Some staff are paid monthly based on 1/12 of annual salary per month, for other staff timesheets are completed and submitted to the external payroll service. Sample evidence of employment payments and deductions has been examined. The Council has a process for the review of the Clerks performance. There is need to develop the performance management systems for all staff and it is understood this is being progressed.	
H. Asset and investments registers were complete and accurate and properly maintained.	**No**
Information and evidence were requested to demonstrate the Council has an effective asset management process; a process that shows assets are; recorded, valued, the value links to insurance, inspected, and maintained, with renewal and replacement schedules. The asset management process should also include the periodic review and approval of a comprehensive Asset Register by Members. The development of the Asset Register has progressed in the year and there is a commitment to have concluded this by the end of the current financial year. The Asset Register should have, where appropriate, links to Risk Management, the reserves provision and funding options, and revenue and capital spend. **See Recommendation 6 below**	
I. Periodic and year-end bank account reconciliations were properly carried out.	**Yes**
Regular bank reconciliations are undertaken, the process is effective with formal approval arrangements operating which are evidenced. Post the internal audit review evidence was provided to show the year-end bank reconciliation had been reviewed and signed by the Parish Clerk and the Chair.	
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.	**Yes**

AGAR Internal Control Objective, Internal Audit assessment and related comments	Yes /No
The accounting statements have been prepared on the correct accounting basis. The overarching accounting process as reviewed is effective and appropriate; the accounting statements agree to the cash book and are supported in most instances by an adequate (and improving) audit trail from underlying records. Members review payments each meeting and verify the bank reconciliation, quarterly accounting checks form part of the control arrangements but have not been undertaken. Post the internal audit review the year-end accounts have been prepared on the correct accounting basis.	
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").*	**Not Covered**
The Council did not certify itself as exempt in 2020/21 and therefore had a limited assurance review of its AGAR.	
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.	**Yes**
The Transparency Code applies to Councils with a turnover not exceeding £25,000 and a turnover greater than £200,000. This question in the AGAR was changed post the internal audit review, previously applying only to Councils falling below the £25,000 limit. From the work undertaken in recent year the Council follows the principles of the Transparency Code 2015; however, this will be programmed for review in more detail as part of the 2022-23 internal audit review.	
M. The authority, during the previous year (2021-22) correctly provided 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).*	**Yes**
Evidence confirms the Council correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	
N. The authority has complied with the publication requirements for the 2020/21 AGAR *(see AGAR Page 1 Guidance Notes).*	**Yes**
The Council confirmed it correctly provided for the publication requirements for 2020/21 AGAR.	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	**Not Applicable**
The Council (as a body) does not have trust or charitable responsibilities.	

Other Areas

Internal Control areas and Internal Audit comments
Review of the implementation of recommendations from the previous year's Internal and External Audit Reports
From last internal audit report Considered within the report above. Recommendations were made in February 2020 in respect of the procurement and introduction of the bar till and automated stock management system. The recommendations being to undertake a post procurement and implementation review as the process had not delivered the full benefits intended. These recommendations have not been pursued due to a lack of information and resource to undertake the task. As time has now moved on it is agreed there may be limited benefit from pursuing these recommendations. However, the control principles in respect such procurements and implementations have been discussed with Clerk at subsequent internal audits and confirmation has been offered that lessons have been learnt and that there will be, for example; • Compliance with Financial Regulations • Risk management arrangements that have planned mitigating actions should there be significant service change or supplier loss • Procurement control assurance • Effective 'project management' where significant change occurs. **From last external audit report** Considered within the report above.
Any other governance or financial control issues arising during the internal audit
None
Any 'unusual' matters arising from the review of the minutes of Council and Committee meetings (the approach to risk and control)
None

Any matters referred by the Council or the Clerk for review
None

Recommendations	Councils' response and implementation arrangements
Recommendation 1 – Internal Control Checks	
The scope of the internal control check needs to be established. The checks undertaken should be supported by documentation that identifies; the checks to be undertaken, confirms that each check has occurred, records the findings and details the actions needed (if any). A template to aid the internal control check is to be produced. There is a tendency to focus on financial control but the internal control check should cover other control areas and should be linked to the controls stated in the risk register. The initial internal control check undertaken in July was report in writing, for the second check a verbal update was given. For each internal control check a formalised reporting arrangement should be introduced and this should confirm that actions identified in the previous checks have been actioned and effective control operates.	
Recommendation 2 – Risk Management	
The previous internal audit recommendation referred to; 'focus should be placed on assurances that mitigating controls are appropriate, maintained and continue to be effective', it is not evident from the minutes that such assurances were gained from the risk register review process. The review of the risk register by the Council should provide and record this assurance, being based on evidenced assessment. It is recommended that the Council develops its risk management process to provide better links to for example, asset management, internal control checks, Health and Safety and safe systems of work, and any projects it undertakes.	

Recommendations	Councils' response and implementation arrangements
Recommendation 3 – Budget Management (profiling)	
As services recover from the impact of Covid-19 the Council should develop more sensitive budget monitoring processes. There are significant income sources and costs associated with these that fluctuate throughout the year. Therefore, the position at each budget review should seek to present the anticipated position for coming periods based on historic information, advanced payments, and estimated income and costs from known secured future activities.	
Recommendation 4 - Budget Management (bar activity)	
The Council should consider the monitoring arrangements for its bar activity and how these fit within the budget management process. The Council should introduce overview processes that ensures it obtains the expected returns from its bar service, to include, gross trading profit, net trading profit and sales return based on mark-up. The Clerk should ensure the operational control arrangements secure receipts, control costs and manage stock.	
Recommendation 5 – Income Control	
5a Bar control – The Clerk has confirmed there is an on-going improvement programme to include staff training, reprogramming of the till system and stocktakes. These arrangements should be designed to provide assurance that the income received and accounted for reconciles to that expected from sales. 5b Cash handling and safe control – A review of cash handling, cash security and safe control should be undertaken. 5c Income audit trail - There is opportunity to enhance control by undertaking periodic reconciliation between the customer receipt book and the summary takings form. For all income sources the control process and audit trail should provide control assurance - between the source (each receipt, till register entry), the collective income summary (e.g., till 'z' reads), the banking summary, the accounting record, and the bank statement.	

Recommendations	Councils' response and implementation arrangements
Recommendation 6 – Asset management / Asset Register	
The Council ensures that the planned development of the Asset Register is completed by year-end. The Asset Register should have, where appropriate, links to Risk Management, the reserves provision and funding options, and revenue and capital budgets. The most recent version of the Joint Panel on Accountability and Governance guidance (2021 particularly section 5.57 to 5.67) offers information of asset registers.	

The draft version of this report was discussed and agreed by the Parish Clerk.

The internal auditor wishes to acknowledge the support and assistance provided by the Parish Clerk during the internal audit review.

Duncan Edwards

Internal Audit undertaken on 18 January 2022

Duncan Edwards (2021/22 internal audits)

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 Arden Hall Water Orton Rd Castle Bromwich B36 9PB	14 Drummond Way Chelmsley Wood Solihull 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

Castle Bromwich Parish Council

Notice of conclusion of audit

Annual Governance & Accountability Return for the year ended 31 March 2022

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
1. The audit of accounts for **Castle Bromwich Parish Council** for the year ended 31 March 2022 has been completed and the accounts have been published.	This notice and Sections 1, 2 & 3 of the AGAR must be published by 30 September. **This must include publication on the smaller authority's website.** The smaller authority must decide how long to publish the Notice for; the AGAR and external auditor report must be publicly available for 5 years.
2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of **Castle Bromwich Parish Council** on application to:	
(a) Gemma Burgess, Clerk Parish Council Office, Arden Hall Water Orton Rd, Castle Bromwich B36 9PB	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR
(b) Mon- Fri 9:30am - 1pm	(b) Insert the hours during which inspection rights may be exercised
3. Copies will be provided to any person on payment of £ 3 (c) for each copy of the Annual Governance & Accountability Return.	(c) Insert a reasonable sum for copying costs
Announcement made by: (d) Gemma Burgess, Clerk	(d) Insert the name and position of person placing the notice
Date of announcement: (e) 8th November 2022.	(e) Insert the date of placing of the notice