

# Annual Internal Audit Report 2020/21

BROWN EDGE PARISH COUNCIL

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During the financial year ended 31 March 2021, 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 2020/21 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.			N/A
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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			N/A
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			N/A
M. The authority, during the previous year (2019-20) 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 2019/20 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

Name of person who carried out the internal audit

03/05/2021

DD/MM/YYYY

DD/MM/YYYY

CURISTOPHER IN NEUFELD AUDITOR

Signature of person who carried out the internal audit

SIGNATURE

Date

03/05/2021

\*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 2020/21

We acknowledge as the members of:

BROWN EDGE 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 2021, 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

\*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:

05/05/21

and recorded as minute reference:

2021/05/05-18C

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

Chairman

Clerk

*[Signature]* REQUIRED

*[Signature]* REQUIRED

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## Section 2 – Accounting Statements 2020/21 for

BROWN EDGE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
			<i>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.</i>
1. Balances brought forward	92,218	98,714	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	21,572	22,960	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	16,413	26,817	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	7,928	8,434	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	23,561	25,629	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	98,714	114,428	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	98,714	114,428	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	149,232	149,232	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	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 2021 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

*Dorise Wheat*

Date

05/05/2021

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

05/05/21

as recorded in minute reference:

2021/05/05-18d

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

*[Signature]*



## Section 3 – External Auditor's Report and Certificate 2020/21

In respect of

BROWN EDGE 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 2021; 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 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, 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 2020/21

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 2021.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

**Brown Edge Parish Council**  
**STATEMENT OF ACCOUNTS**

	RECEIPTS	PAYMENTS
Opening Balance		
Balance at Bank	98,714.71	
Cash in Hand		
Grass Cutting & Tidying		4,296.60
Cemetery Recorder Salary		2,282.88
Cemetery Recorder Expenses		129.94
Cemetery Costs		1,722.72
Litter Picker & Lengthsman		611.00
Clerk Salary		6,644.87
Clerk Admin Expenses		1,789.54
Professional Fees (Ins, Audit)		1,752.23
Donations	2,933.25	
Donations (Gifts)		529.82
S137 Grant		
Annual Subscriptions		1,013.95
Street Lighting		422.96
Projects		1,348.41
Playing Fields Utilities (Elec, Water etc)		138.13
Play Equipment/Inspection		103.50
Elections		818.77
Website Fees		413.99
Precept	22,959.75	
Waste		
Interim Clerk		2,275.42
Cemetery Receipts		
Wayleave	223.29	
Bank Interest	6.38	
Burial / Cremation Fees	8,746.00	
Allotment Fees	3,251.66	
PAYE - U/p Chq	206.40	79.00
Cemetery Project		
Concrete Plinths		2,200.00
Covid 19 & Climate Grants	11,250.00	
Cemetery Grass Cutting		2,864.40
Lengthsman Grant (SMDC)	200.00	
VAT		2,625.72
	<b>49,776.73</b>	<b>34,063.85</b>
<b>Closing Balances:</b>		
Balances in Bank Account		114,427.59
Cash in Hand		
<b>TOTAL</b>	<b>148,491.44</b>	<b>148,491.44</b>

The above statement represents fairly the financial position of the council as at 31 Mar 2021

Signed

Deise Wheat  
Responsible Financial Officer

Date

5/5/2021

# Financial Bank Statements at 31<sup>st</sup> March 2021

29 April 2021 (2020 - 2021)

## Brown Edge Parish Council

### BANK ACCOUNTS

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Natwest Current A/c - 16528514	£28,972.38
Natwest Business Reserve - 16528515	£11,116.81
Leek United Building Society	£74,338.40
<b>Total in Banks</b>	<b>114,427.59</b>
<b>Cash</b>	<b>0.00</b>
<b>GRAND TOTAL (Banks and Cash)</b>	<b>£114,427.59</b>

Deise Wheat - CLERK/RFO  
5/5/2021



## Explanation of significant variances in the accounting statements - Section 2

Parish Council name: BROWN EDGE PARISH COUNCIL

Please explain any variances of more than 15% or anything over £100k between the totals for individual boxes in Section 2. We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. **We also ask you to explain any change where there is a movement to or from zero.** Please either use the proforma below, or complete a separate schedule if more space is required.

Section 2	2019/20 £	2020/21 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10))
Box 2 Precept	21,572	22,960	+1,388	N/A
Box 3 Other income	16,413	26,817	+10,404	WE RECEIVED A RATE REBATE FROM STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL OF £10,000 AS PART OF THEIR COVID ASSISTANCE TO LOCAL COMMUNITIES
Box 4 Staff costs	7,928	8,434	+506	N/A
Box 5 Loan interest/ capital	NIL	NIL	—	N/A
Box 6 Other payments	23,561	25,629	+2,068	N/A

Box 7 <i>Balances carried forward</i>	98,714	114,428	15,714	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown.
Box 9 <i>Fixed assets &amp; long term assets</i>	149,232	149,232	0	Explain all movements in this category and not just those above 15% or over £100k
Box 10 <i>Total borrowing</i>	NIL	NIL	—	N/A



# NEUFELD ACCOUNTANCY SERVICES

39 Chester Road

Audley

STOKE ON TRENT

ST7 8JD

Dear Clerk

It has been noted during the annual inspection of the accounts 2021 that direct debit payments made for electricity supplies for the Cemetery and the Playing Fields have not been minuted during the past year. For the sake of transparency I recommend that this note be admitted to the next meeting and that subsequently such payments are reflected in the monthly minutes.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'C. Neufeld', is written over a faint, circular blue ink stamp.

C D Neufeld

Local Council name: BROWN EDGE PARISH COUNCIL

Confirmation of contact details

Please confirm the contact details for the Clerk, RFO (if not the clerk) and Chair, to assist us in ensuring that our records are kept up to date:

Clerk's name: <u>DENISE WHEAT</u>	RFO's name (if not clerk):	Chair's name: <u>PETER TURNER</u>
Clerk working hours: <u>40hrs p/month</u>	RFO working hours (if not clerk):	
Parish Council registered address: <u>3 THE ISLAND</u> <u>TEAN</u> <u>S-O-T</u> <u>STAFFORDSHIRE</u> <u>ST10 4TE</u>	Parish Council registered address:	Chair contact address: <u>GLENHOUGH</u> <u>SANDY LANE</u> <u>BROWN EDGE</u> <u>ST6 8QL</u>
Telephone: <u>01538 723985</u> Primary contact number: <u>07835 812787</u> Mobile/Alternative number: <u>07812 056085</u>	Telephone: Primary contact number: Mobile/Alternative number:	Telephone: Primary contact number: <u>01782 504239</u> Mobile/Alternative number: <u>07540 724459</u>
Generic e-mail address for the Authority (please only provide a personal e-mail address if the clerk / RFO does not have access to a generic e-mail account). <u>clerk@browndge-pc.gov.uk</u>		

Please return this form together with the  
Annual Governance & Accountability Return and other information requested.



Confirmation regarding the exercise of public rights

Parish Council name: BROWN EDGE PARISH COUNCIL

The Parish Council must inform the electorate of an exact 30 working day period during which public rights may be exercised.

The inspection period must commence no later than 1 July 2021.

The elector's rights must start **EXACTLY** one day after the annual return has been published on your website (or other free to access website used by the Council) with the statutory notice at Attachment 3.2. Publication of the annual return must be as soon as practical after the unaudited annual return has been approved by the Parish Council.

Working days are defined as Monday – Friday. They do not include Saturdays, Sundays and Bank holidays.

The inspection period commences on: 1<sup>st</sup> JUNE 2021

And ends on: 12<sup>th</sup> JULY 2021

Signed: D. Wheat Date: 17<sup>th</sup> May 2021

Position held: CLERK / RFO