

# Annual Governance and Accountability Return 2023/24 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 2023/24

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 2024.
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 2024. 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 2024
  - 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 2023/24

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 Section 1, 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 2024 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 2023/24, approved and signed, page 4
- Section 2 - Accounting Statements 2023/24, approved and signed, page 5

Not later than 30 September 2024 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) 2023/24

- 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 2024.
- 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 Chair, 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 2023) equals the balance brought forward in the current year (Box 1 of 2024).
- 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 2024.

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 Chair of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at 31 March 2024 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](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

# Annual Internal Audit Report 2023/24

*GREAT LUMLEY PARISH COUNCIL*

NAME OF AUTHORITY: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

During the financial year ended 31 March 2024, 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 2023/24 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> NONE
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic bank account reconciliations were properly carried out during the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick 'not covered')	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Date(s) internal audit undertaken

19/05/24

Name of person who carried out the internal audit

GORDON FLETCHER (C.M.I.I.N)

Signature of person who carried out the internal audit

*G. Fletcher*

Date

22/05/2024

\*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 2023/24

We acknowledge as the members of:

### GREAT LUMLEY 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 2024, that:

	Agreed			Yes means that this authority
	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.
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:

04/06/2024

and recorded as minute reference.

8.6

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

Chair

Clerk

<https://www.greatlumleyparishcouncil.org/>

## Section 2 – Accounting Statements 2023/24 for

### GREAT LUMLEY PARISH COUNCIL

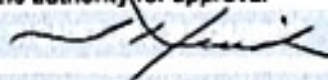
	Year ending		Notes and guidance Please round all figures to nearest £1. Do not leave any boxes blank and report 00 or Nil business. All figures must agree to underlying financial records.
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	123,774	186,936	Total balances and reserves at the 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	67,870	68,550	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	43,675	39,707	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	20,439	14,748	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	27,944	32,392	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	186,936	248,053	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	123,774	248,053	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	103,000	103,000	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 exclude any Trust transactions.

I certify that for the year ended 31 March 2024 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

  
Date 11/07/2024


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

04/06/2024

as recorded in minute reference:

8.6

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



## Section 3 – External Auditor’s Report and Certificate 2023/24

In respect of

GREAT LUMLEY 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 2024; 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 2023/24

(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 2023/24

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 2024.

\*We do not certify completion because.

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

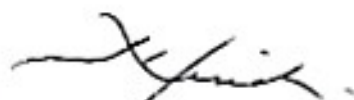
Date

DD/MM/YYYY

**GREAT LUMLEY PARISH COUNCIL**  
**SUMMARY OF INCOME AND EXPENDITURE YEAR TO 31st MARCH 2023**

Income		Expenditure	Total
Precept incl Grant	68,549.94	Wages	14,747.49
Grants	6,650.00	Telephones and Broadband	8.24
Interest	5,944.40	Subscriptions to organisations	805.71
Community Centre Activities	18,207.15	Insurance	-
Disposal of Equipment	4,950.00	Audit Fees	660.00
Other income	3,955.26	Rents	360.00
		Charitable Donations	-
		Stationery	225.60
		Stamps	-
		Repairs and Maintenance	347.64
		Training	30.00
		Election Costs	-
		Environment and Community	11,511.10
		Bank Charges	105.00
		Legal	291.67
		VAT (to reclaim)	2,018.07
		Business Rates	12,261.54
		Utilities	3,427.83
		Licenses	339.00
			-
<b>Total Income</b>	<b>108,256.75</b>	<b>Total Expenditure</b>	<b>47,138.89</b>
<b>Income / Expenditure Balances</b>		<b>Bank and Cash Balances</b>	
Opening balance	186,935.63	Current Account U Trust	10648.96
Add income	108,256.75	Savings Account U Trust	152517.05
Less exp	- 47,138.89	Redwood Bank	84887.48
<b>Final Balance (Income / Exp)</b>	<b>248,053.49</b>	<b>Final Balance (Bank)</b>	<b>248053.49</b>

Signed as a True Statement of Accounts



Ian Heaviside (Parish Clerk and RFO)

Phillip Heaviside - Chair

Presented 4th June 2024

Parish Council Name GREAT LUMLEY PARISH COUNCIL

Financial year ending 31 March 2024

Prepared by IAN HEAVISIDE PARISH CLERK AND RFO (Name and Position) Date 11/7/24

	£	£
Balance per bank statements as at 31 March 2024:		
Current account		10648.96
Unity Trust Savings Account		152517.05
Redwood Bank Savings Account		84887.48
Petty cash float (if applicable)		
Less: any un-presented cheques at 31 March 2024 (normally only current account)		
Cheque number		
Add: any un-banked cash at 31 March 2024 e.g. Allotment rents banked 31 March 2024 (but not credited until 1 April 2024)		
Net balances as at 31 March 2024		248053.49
<b><i>The net balances reconcile to the Cash Book (a receipts and payments account, which should be maintained even if your authority uses income and expenditure accounting) for the year, as follows:</i></b>		
<b>CASH BOOK</b>		
Opening Balance 1 April 2023		186935.63
Add: Receipts in the year		108256.75
Less: Payments in the year		47138.89
Closing balance per cash book [receipts and payments book] as at 31 March 2024 (must equal net balances above)		248053.49



## Attachment 2

Local Council name: GREAT LUMLEY 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: IAN HEAVISIDE	RFO's name (if not clerk): .....	Chair's name: PHILIP HEAVISIDE
Clerk working hours (e.g. Mon-Fri 9-5pm): VARIABLE – USUALLY CONTACTABLE OFFICE 10-4 M-F	RFO working hours (e.g. Mon-Fri 9-5pm): ..... .....	
Parish Council registered address: COMMUNITY CENTRE FRONT STREET GREAT LUMLEY DH3 4JD	Parish Council registered address: ..... ..... ..... .....	Chair contact postal and email address: 58 RUNYMEDE GREAT LUMLEY DH3 4LW Email: electra.tech@btinternet.com
Telephone: Primary contact number: 07982 718086 Mobile/Alternative number: .....	Telephone: Primary contact number: ..... Mobile/Alternative number: .....	Telephone: Primary contact number: 07966425132 Mobile/Alternative number: .....
E-mail address for the Council/Meeting (please do not provide a personal e-mail address unless the clerk / RFO does not have a Council/Meeting e-mail address). <a href="mailto:greatlumleyparish@hotmail.com">greatlumleyparish@hotmail.com</a>		

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

# **INTERNAL AUDIT REPORT – 2023/2024**

## **GREAT LUMLEY PARISH COUNCIL**

### **1. Background**

- 1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Department of Housing, Communities and Local Government (DHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities.
- 1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made up of 3 sections along with an annual internal audit report, which is to be completed by the Parish Council's independent internal auditor, who is to give an opinion of the Parish Council's internal controls.
- 1.3. CDALC have provided Councils with a checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.
- 1.4. The Parish Council has taken over the running of the Community Centre and has made arrangements for an asset transfer to be completed and for the collection of income payment of its accounts.

### **2. Objectives of the Audit**

- 2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

### **3. Scope of the Work and the areas of Audit Work examined.**

- 3.1. The Scope of Work covers the key control tests identified in the internal audit part of the A.G.A.R.
- 3.2. To properly complete the audit the following areas of activity have been examined and tested by Internal Audit:
- Payroll
  - Creditors
  - Risk Management
  - Income collection and Banking arrangements
  - Accounting records,
  - Assets
  - Debtors
  - Budgetary Control (including year end procedures)
  - Exercise of public rights has been properly carried out.
- 3.3. Any audit findings of this report have been discussed with the current Clerk of the Council and any audit recommendations have been agreed with him.

### **4. Findings**

#### **4.1. Payroll**

- 4.1.1. The Parish Council has 2 employees who work fixed hours, Clerk and Caretaker
- 4.1.2. The payroll process is completed by an independent payroll provider who submits payroll information monthly to the Parish Clerk who makes the payments through the creditors system. I examined the payments made for 2023/24 and all payments had been correctly made, along with deductions for Tax and N.I. where appropriate.

4.1.3. Any expenses claimed are paid on production of a receipt and agreed during approval of the monthly payments list.

## **4.2. Creditors**

4.2.1. Payments (and income) for the Parish Council and the Community Centre are shown separate and paid through one bank account on receipt of an invoice. There are 2 sets of accounts. There is no separation of duties at Great Lumley Parish Council as the Clerk is the only Officer responsible for Finance and Administration. Compensating checks are carried out by Councillors.

4.2.2. Every invoice is checked by the Clerk and sent to Councillors who can agree the invoices. Once agreed, I understand that 2 Councillors authorize the payments by bank transfer.

4.2.3. Any donations paid are agreed by the Council prior to payment being made and are recorded as Donations on the Payments spreadsheet. The Council has a donations policy which was approved on 8<sup>th</sup> April 2014, and I understand is still relevant.

4.2.4. Although there is no petty cash held by the Council there are payments made to the Clerk and Caretaker for any expenses which appear reasonable, and receipts are held for all expenditure and approved during the payment procedure. It should be noted that any reimbursements to employees or Councillors which include purchases for the Council, that the Council cannot claim the vat back even though a vat receipt is obtained. The Council should consider a debit or credit card in the Councils name if they want to claim the vat back.

## **4.3. Governance Arrangements**

4.3.1. Standing Orders which include Financial Regulations were not approved for 2023/24, to ensure that they were still fit for purpose.

4.3.2. The Risk Assessment of the Council and asset register along with the Statement of internal control had not yet been approved but I understand they are to go to the 4<sup>th</sup> June 2024 Council meeting. Other policies are considered and approved during the year if required

4.3.3. Following last years audit recommendations all minutes had been signed by the Chair and bank reconciliations are reported monthly are signed and confirmed by the Clerk and the Chair.

4.3.4. The announcement of the public rights for 2022/23 was announced on 5<sup>th</sup> June 2023 with the inspection of the accounts available between 6<sup>th</sup> June and 17<sup>th</sup> July 2023.

4.3.5. All income and expenditure are recorded in the minutes.

4.3.6. The Council has Financial Control document was updated to reflect the procedures for the payments by bank transfer.

## **4.4. Income collection and Banking arrangements**

4.4.1. For the Parish Council any income received is recorded on the Receipts and Payments spreadsheet (Cash Book) which records the precept, grants, room hire, vat reclaim, and bank interest.

4.4.2. For the Community Centre income is recorded on a separate Receipts and Payment spreadsheet with the total shown on the Parish Council spreadsheet. The Community Centre caters for Groups who hire out the rooms. Various charges apply for the room hire and are displayed on the website. I understand that when hiring out the rooms the hirers must complete a booking form with terms and conditions attached.

4.4.3. There is a diary of Groups attending the Centre, showing Day, room and times. The Parish Clerk then raises an invoice, and checks payment to the bank statement.

4.4.4. Vat to be reclaimed is recorded on the Receipts and Payment spreadsheet, with vat being received by the Council in April 2023.

4.4.5. There are 3 bank accounts held by the Council:

- i. Current account
- ii. Savings account. - which holds monies which are over the Financial Services Compensation Scheme
- iii. Redwood Bank Savings account

4.4.6. Every month bank reconciliations are carried out which are confirmed by the Chair. I agreed to the reconciliation of the bank statements throughout the year and at the end of the year.

#### **4.5. Accounting Records**

4.5.1. There are 2 sets of spreadsheet records kept – one for the Parish Council accounts and one for the Community Centre accounts. The net income/expenditure for the month for the Community Centre is shown on the Parish Council spreadsheet, against the bank account. All Receipts and Payments are recorded on a spreadsheet (Cash Book) and the Clerk carries out monthly bank reconciliations from the spreadsheet, which are confirmed and signed by the Parish clerk and the Chair.

#### **4.6. Security/Assets**

4.6.1. An Inventory is held of all assets, and this is formally approved by the Council when the statement of accounts is approved.

#### **4.7. Debtors**

4.7.1. Accounts are raised for all room hires (See 4.4.3.).

#### **4.8. Budgetary Control**

4.8.1. The precept requirement and budget for 2024/25 was discussed at the 15<sup>th</sup> January 2024 Parish Council Committee.

4.8.2. At each Council meeting Members are provided with details of the payments, with the financial position monitored when the precept and next year's budgets are determined.

#### **5. Conclusions**

5.1. During the previous year the Council has responsibilities for the Community Centre and have adopted good internal controls.

#### **6. Recommendations**

6.1 It is recommended:

- That the actions agreed in 4.3.2, above are confirmed from the minutes of the 4<sup>th</sup> June 2024 meeting.
- Another bank account should be opened to transfer monies from the savings account so as to protect the Council's monies. (see para 4.4.5.)



Gordon Fletcher (C.M.I.A.)  
Internal Auditor  
Date: 22<sup>nd</sup> May 2024

# Local council name: Great Lumley Parish Council

## Notice of appointment of date for the exercise of public rights

Accounts for the year ended 31<sup>st</sup> March 2024

Local Audit and Accountability Act 2014, and

the Accounts and Audit (England) Regulations 2015 (SI 234)

<p>1. Date of announcement: 2nd June 2024</p> <p>2. Any person interested has the right to inspect and make copies of the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them. For the year ended 31 March 2024 these documents will be available on reasonable notice on application to:</p> <p>Ian Heaviside Parish Clerk and Responsible Finance Officer Email: <a href="mailto:ianheaviside@greatlumleyparishcouncil.com">ianheaviside@greatlumleyparishcouncil.com</a> Telephone 07982 718086 Monday to Friday 10am to 4 pm</p> <p>commencing on: 3<sup>rd</sup> June 2024</p> <p>and ending on: 12<sup>th</sup> July 2024</p> <p>3. Local Government Electors and their representatives also have:</p> <ul style="list-style-type: none"><li>• the opportunity to question the auditor about the accounts, and</li><li>• the right to make objections to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Authority</li></ul> <p>The auditor can be contacted at the address in paragraph 4 below for this purpose during the inspection period at 2 above.</p> <p>4. The auditor's limited assurance review is being conducted under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit (England) Regulations 2015 and the National Audit Office' Code of Audit Practice. Your review is being carried out by:</p> <p>Mazars LLP, The Corner, Bank Chambers, 25 Mosley Street, Newcastle upon Tyne, NE1 1DF Email: <a href="mailto:localaudit@mazars.co.uk">localaudit@mazars.co.uk</a></p> <p>5. This announcement is made by: Ian Heaviside Parish Clerk and RFO</p>	
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