



10 July 2022

Dear David,

Great Tey Parish Council
Annual Governance and Accountability Return 2021/22

Thank you for providing me with all the relevant Parish Council records including minutes and budgets to undertake the Internal audit and completion of the Annual return required for Local Councils in England.

The accounts were approved by the Parish Council on 10 May 2022.
The details were all recorded on the relevant sections of Annual return and signed ready for submission and publication before the required due date.

Annual return - Section 1 - Annual governance statement

In my audit work I have seen that all the parts requiring completion in Section 1 as the Annual governance statement have been completed in the affirmative.

Annual Internal Audit Report 2021/22

Although there were a number of procedural changes adopted by the Local Audit and Accountability Act 2014 the Annual return details remain similar to the last year, including the additional review required for compliance with publication requirements.

In my work I have reviewed the formal minutes, including some recording Zoom meetings at the cessation of lockdown following Covid-19 provisions and signed at later meetings. I have also reviewed the cash book and accounting records of the Council with the accounts prepared by the Parish Council for the year to 31 March 2022 with 31 March 2021 as the corresponding year.

I have reviewed the updated Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements dated March 2018 (NALC.gov.uk) and in particular the non-statutory guidance for internal audit at smaller authorities. I have completed my tests on the finalised accounts after the year end. This process, without being involved during the year, appears appropriate in this Council's case. Having considered the areas to be covered, I have found sufficient assurance that proper practices have been met throughout the year.

The section on Petty Cash has been marked as "Not applicable" as the Parish Council does not hold any cash.

You confirmed last year's Section L regarding the publication on the website in accordance with the Transparency code for smaller authorities and the required reports have been seen as being uploaded which confirms the parish clerk's actions and duties in this area.

I note that the parish clerk's employment is as an office holder with salary payments subject to PAYE which has been operated properly throughout the year under RTI. My review noted appropriate discussions by the Council in respect of approved changes in the rate of pay.

The 2016 Practitioners' Guide provided guidance regarding asset valuation, requiring the Parish Council to follow a consistent policy. This Parish Council has therefore been using Insurance valuations to summarise the value of assets held, with the necessary recording, each year, of any new assets acquired at cost. No depreciation charges are included, as the accounts are prepared on a cash basis. Furthermore the accounting policies adopted do not require reporting on the expected useful life of each asset.

Primarily from my review of the minutes and the Council's full consideration of budgeting and future costs as well as insurable risks throughout the year, I feel that the Council has properly assessed and managed the significant risks which they have identified as being within their area of responsibility.

No other areas of risk have been identified by me from the matters seen during my review.

Accounts Preparation

The cash book is prepared as part of the formal accounts of the Council for the year and it is a requirement of the Accounting regulations that this forms part of the published Parish Council Accounts.

The Summary Income and Expenditure Account are prepared on a Payments and Receipts basis (without provision for debtors, creditors, accruals and prepayments), although provision is made for the VAT recovery.

Your clear disclosure of Cumulative Funds shows the balance sheet totals in line with the Annual return details reported to the External auditor. The sum due from HMRC in respect of the recovery of input VAT outstanding at the year end is included and reflects the assets of the Parish Council on the Balance Sheet.

Annual return - Section 1 - Accounting statements

The final figures for the Annual return agree to extractions from the accounts as below:

		Last year			
		2020/21	2021/22	Variance	
		£	£	%	£
1	Balances b/f	27,458	22,277	-19	
2	Annual Precept	18,927	18,927	0	
3	Total other receipts	3,070	11,937	289	-8,867
4	Staff costs	5,998	6,102	2	
5	Loan/capital payments	0	0		
6	Total other payments	21,180	10,897	-49	10,283
7	Balances c/f	22,277	36,142	62	
8	Total cash and investments	22,277	36,142	62	
9	Total fixed assets	54,703	54,703	0	0
10	Total borrowings	0	0		
11	Trust funds disclosure note	Yes	Yes		

In addition to the provision of certain figures within the Annual return you are required to provide details of any significant variances between the two years. As for previous years I have prepared a schedule in line with the guidance notes, which confirms your figures for use if required.

Other matters

The VAT recovery at the year end amounts to £230.21 (2021: £109.80) which will, I assume as previously, be received after the year end, and is ignored on the accounting statements in section 1 recorded above.

S.137 of the Local Government Act 1972 allows a Local Authority to spend a limited amount on activities for which it has no specific power, but which the Authority considers "will bring direct benefit to the area, or any part of it or all or some of its inhabitants".

This has been correctly reported in the accounts and payments are as extracted from the cash book records.

I confirm that Sections 1 and 2 of the Annual return are in accordance with my review of the Parish Council records and I believe that the completed Annual return can be submitted to the External auditor.

Once again I should like to thank you for your kind assistance with my review for the year.

With kind regards

Yours sincerely

L C Tippet
Encl

Appendix to Annual Return 31 March 2022

Variance Analysis

The accounts are prepared on a Receipts and Payments basis so funds may be received in one year and spent in the next, and this primarily accounts for the major variations.

Line 3 : Variation - increase in other receipts of £8,867 (£3,070 to £11,937) is due to the following

No change in Grant from Colchester Borough Council	-
No change in allotment rental income	-
Decrease in Locality Grant	- 74
E C C grants	3,060
Grant received for Neighbourhood Plan	6,200
Balloon landing fee	75
Decreased input VAT recovered in year	- 334
	<u>8,927</u>

Line 6 : Variation - decrease in other payments of £10,283 (£21,180 to £10,897) is due to the following

Increased allotment water & repairs	146
Increased general administration costs (excl Clerk's salary)	15
Increased Handyman expenses	581
No village waste collection in 2022	- 167
Decreased Section 137 payments	- 325
Play area repairs costs & fence posts	- 3,724
Playing field maintenance including refurbishment	295
Pump yard plaque & renovation	144
Village Hall tables funded by Locality Grant	376
Neighbourhood plan not funded by grant	149
Neighbourhood plan grant returned in 2021 less costs	- 7,421
Defibrillator cost in 2021	- 106
Decreased input VAT paid on purchases in year	- 246
	<u>- 10,283</u>

Line 9 : Variation - No increase in fixed assets as no additions in the year.
Whilst the asset value is now fixed as the insurance value, as adopted in 2016:

	31.03.22	31.03.21
Village sign	2,530.00	2,530.00
Notice board	643.00	643.00
Gates and fences	9,779.00	9,779.00
HFRG internal fence and gate	2,100.00	2,100.00
HFRG benches	682.00	682.00
HFRG Entrance high gate and bollards	2,795.00	2,795.00
Bus shelter	7,112.00	7,112.00
Office contents	756.00	756.00
Printer for Clerk	50.00	50.00
Sports equipment	756.00	756.00
Contents of Village Hall	27,500.00	27,500.00
Play area surface - written down	0.00	0.00
	<u>54,703.00</u>	<u>54,703.00</u>

Movement	additions	-
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Appendix to Annual Return 31 March 2022

Year end balances

Bank Reconciliations**2022 2021**Community Account - Barclays 10417327

Balance per statement 31 March 2022 36,369.98

Less o/s cheques	250.00
	0.00

250.00

Plus o/s bankings	0.00
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Balance per cash book	<u>36,119.98</u>
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36,120 22,255

Business Saver Account - Barclays 53283313

Balance per statement 31 March 2022 22.48

Less o/s cheques	0.00
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Plus o/s bankings	0.00
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Balance per cash book	<u>22.48</u>
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22 22

<u>36,142</u>	<u>22,277</u>
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VAT recovery balances due

<u>230</u>	<u>110</u>
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Cash Book

Opening balance 1 April 2021

22,277 27,458

Add: receipts in year

30,864 21,997

Less: payments in year

16,999 27,178

Closing balance as at 31 March 2022

<u>36,142</u>	<u>22,277</u>
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