

Yarnfield and Cold Meece Parish Council
Annual Governance and Accountability Return 2021/22

Content – Scanned copies of the audit documentation¹

1. Notice of public rights
2. Internal Audit:
 - Conclusions of internal audit letter
 - Annual internal audit report
3. Annual Governance Statement (Section 1)
4. Accounting Statement (Section 2)

The Annual Governance and Accounting Return has been submitted to Mazars Smaller Authorities External Audit Team. The status of the accounts is unaudited until the conclusion of the audit process by the external auditor.

External Auditor - Mazars LLP, The Corner, Bank Chambers, 26 Mosley Street, Newcastle upon Tyne, NE1 1DF

John Fraser
Parish Clerk
16 June 2022

Email: ycmclerk@gmail.com
Tel: 07546 456771

¹ The original signed copies of the documentation are available for inspection on request to the Parish Clerk.

Yarnfield and Cold Meece Parish Council

Notice of appointment of date for the exercise of public rights

Accounts for the year ended 31st March 2022

The Local Audit and Accountability Act 2014, and
The Accounts and Audit (England) Regulations 2015 (SI 234)

1. Date of announcement: **16 June 2022**

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 2022 these documents will be available on reasonable notice on application to:

John Fraser, Parish Clerk
5 De Havilland Drive
Yarnfield
Staffs
ST15 0SX

commencing on – **17 June 2022**

and ending on – **28 July 2022**

3. Local Government Electors and their representatives also have:
 - the opportunity to question the auditor about the accounts; and
 - 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.The auditor can be contacted at the address in paragraph 4 below for this purpose during the inspection period at 2 above.

4. The audit 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. The review is being carried out by:

Mazars LLP, The Corner, Bank Chambers, 26 Mosley Street,
Newcastle upon Tyne, NE1 1DF
Email: local.councils@mazars.co.uk

5. This announcement is made by: **John Fraser, Parish Clerk**

Councils' Accounts: A Summary of Public Rights

The basic position

By law any interested person has the right to inspect a council's/meeting's accounts. If you are entitled and registered to vote in local council elections then you (or your representative) have additional rights to ask the appointed auditor questions about the Council's accounts or object to an item of account contained within them.

The right to inspect the accounts

When your council has finalised its accounts for the previous financial year it must advertise that they are available for people to inspect. Having given the Council reasonable notice of your intentions, you then have 30 working days to look through the accounting statements in the Annual Return and any supporting documents. By arrangement, you will be able to inspect and make copies of the accounts and the relevant documents. You may have to pay a copying charge.

The right to ask the auditor questions about the accounts

You can only ask the appointed auditor questions about the accounts. The auditor does not have to answer questions about the council's policies, finances, procedures or anything else not related to the accounts. Your questions must be about the accounts for the financial year just ended. The auditor does not have to say whether they think something the Council has done, or an item in its accounts, is lawful or reasonable.

The right to object to the accounts

If you think that the council has spent money that it should not have, or that someone has caused a loss to the council deliberately or by behaving irresponsibly, you can request the auditor to apply to the courts for a declaration that an item of account is contrary to law. You do this by sending a formal '*notice of objection*' to the auditor at the address below. **The notice must be in writing and copied to the council.** In it, you must tell the auditor why you are objecting and what you want the auditor to do about it. The auditor must reach a decision on your objection. If you are not happy with that decision, you can appeal to the courts.

You may also object if you think that there is something in the accounts that the auditor should discuss with the Council or tell the public about in a '*public interest report*'. You must follow the same procedure as outlined in the previous paragraph. The auditor must then decide whether to take any action. The auditor does not have to, but usually will, give reasons for his/her decision and you cannot appeal to the courts. More information is available on the National Audit Office website (see contact details below).

You may not use this 'right to object' to make a personal complaint or claim against your council. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or your solicitor. You may also be able to approach the Standards Committee of your local principal authority if you believe that a member of the council has broken the Code of Conduct for Members.

What else you can do

Instead of objecting, you can give the auditor information that is relevant to his/her responsibilities. For example, you can simply tell the auditor if you think that something is wrong with the accounts or about waste and inefficiency in the way the Council runs its services. You should make it clear that you are providing information rather than making a formal objection. You do not have to follow any set time limits or procedures. The auditor does not have to give you a detailed report of any subsequent investigation, but will usually tell you the outcome.

A final word

Councils, and so local taxpayers, must meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved. The auditor will only continue with the objection if it is in the public interest to do so. If you appeal to the courts, you might have to pay for the action yourself.

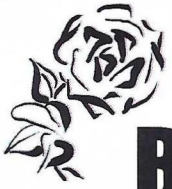
Who should you contact?

For more detailed guidance on electors' rights and the special powers of auditors, copies of the publication Council Accounts – a guide to your rights are available by calling the National Audit Office on 020 7798 7000 or downloading from the website

<https://www.nao.org.uk/>

If you wish to contact your Council's appointed external auditor please write to:

Cameron Waddell, Partner, Mazars LLP,
local.councils@mazars.co.uk



Black Rose Solutions Limited

74 Leacroft Road
Penkridge
Staffs
ST19 5BU

0781 321 7576

sandie.morris@blackrosesolutions.co.uk

30th May 2022

Dear John,

Yarnfield Parish Council - Internal Audit 2021/22

I confirm that I have carried out an examination of your accounts and procedures, in accordance with the requirements of the Accounts and Audit Regulations 2015.

I can state that I have no significant concerns about your internal control procedures (any minor observations are detailed in attached report.) I found no material errors, omissions or irregularities in your financial records.

I would also confirm that I am totally independent of your Council and have no contact, at any level, with any Member, employee or supplier.

Your sincerely,

Mrs Sandra Morris ACMA

Black Rose Solutions Ltd

Internal Audit - Report

Name of Council

Yarnfield and Cold Meece Parish Council

Date of Audit

26/05/2022

Annual Return - Internal Control Objectives

| | |
|--|-------------|
| A. Appropriate accounting records have been properly kept throughout the financial year. | YES |
| Is the cashbook maintained and up to date? | yes |
| Is the cashbook arithmetic correct? | yes |
| Is the cashbook regularly balanced? | yes |
| B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | YES |
| Are payments supported by invoices? | yes |
| Is all expenditure approved? | yes |
| Is VAT appropriately accounted for? | yes |
| Does the Council hold Power of Competence? | no |
| If not, does the council monitor s137 expenditure against limit? | yes |
| C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | YES |
| Does a review of the minutes identify any unusual financial activity? | no |
| Do minutes record the council carrying out an annual risk assessment? | 2/21 & 5/22 |
| Is Insurance cover appropriate and adequate? | yes |
| Are internal financial controls documented and regularly reviewed? | yes |
| Date of review/update Financial Regs | u4/21 |
| Date of review/update Standing Orders | u4/21 |
| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | YES |
| Has the council prepared an annual budget in support of its precept? | yes |
| Is actual expenditure against the budget regularly reported to the council? | yes |
| Are there any significant unexplained variances from budget? | no |
| Are reserves appropriate? | yes |
| The council has reserves of £19984, of which £4000 are earmarked. This leaves general reserves at around 7 months of expenditure. This is within guidelines (3-12 months). | |

| | |
|--|-----|
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | YES |
| Is income properly recorded and promptly banked? | yes |
| Does the precept recorded agree to the Council Tax authority's notification? | yes |
| Are security controls over cash and near-cash adequate and effective? | yes |
| Is the council VAT registered? | no |
| Are returns submitted in a timely manner. | yes |
| Is VAT reclaimed on exempt business activities reviewed and considered insignificant? | n/a |
| Are receipts for business activities within the registration threshold? | yes |

| | |
|---|-----|
| F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for. | N/a |
| Is all petty cash spent recorded and supported by VAT invoices/receipts? | |
| Is petty cash expenditure reported to each council meeting? | |
| Is petty cash reimbursement carried out regularly? | |
| No petty cash held | |

| | |
|--|-----|
| 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 |
| Do all employees have contracts or employment with clear terms and conditions? | yes |
| Do salaries paid agree with those approved by the council? | yes |
| Are other payments to employees reasonable and approved by the council? | yes |
| Have PAYE/NIC been properly operated by the council as an employer? | yes |
| Does line 4 include only Salary, NI & Pension | yes |

| | |
|---|-----|
| H. Asset and investments registers were complete and accurate and properly maintained. | YES |
| Does the council maintain a register of all material assets owned or in its care? | yes |
| Are the assets and investments registers up to date? | yes |
| Do asset insurance valuations agree with those in the asset register? | yes |

| | |
|---|-----|
| I. Periodic and year-end bank account reconciliations were properly carried out. | YES |
| Is there a bank reconciliation for each account? | yes |
| Is a bank reconciliation carried out regularly and in a timely fashion and approved by council? | yes |
| Are there any unexplained balancing entries in any reconciliation? | no |
| Is the value of investments held summarised on the reconciliation? | n/a |

| | |
|---|-----|
| 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 |
| Are year end accounts prepared on the correct accounting basis (receipts | R&P |
| Are debtors and creditors properly recorded? | n/a |
| Do accounts agree with the cashbook? | yes |
| Is there an audit trail from underlying financial records to the accounts? | yes |

| | |
|--|-----|
| K. If the authority certified itself as exempt from a limited assurance review, it met the exemption criteria and correctly certified itself exempt | n/a |
|--|-----|

| | |
|---|-----|
| L. The authority publishes information on a website/webpage up to date at the time of the internal audit in accordance with any relevant Transparency Code requirements | YES |
| Transparency Code for Smaller Councils (income/expenditure under £25k) | |
| All items of expenditure above £100 | yes |
| End of Year Accounts | yes |
| Annual Governance Statement | yes |
| Internal Audit Report | yes |
| List of Councillor or member responsibilities | yes |
| Location of public land and building assets | yes |
| Minutes, Agendas and papers of formal meetings | yes |
| Transparency Code for Larger Authorities (income/expenditure >£200k) | |
| Quarterly:- | |
| All items of expenditure above £500 | yes |
| Government Procurement Card transactions | n/a |
| Procurement information (initiations to tender > £5k) | n/a |
| Annually:- | |
| local authority land | yes |
| social housing assets | n/a |
| grants to voluntary, community and social enterprise organisations | yes |
| organisation chart | n/a |
| trade union facility time | n/a |
| parking account | n/a |
| parking spaces | n/a |
| senior salaries (>£50k) | n/a |
| constitution (standing orders) | yes |
| pay multiple | n/a |
| social housing fraud | n/a |
| One off:- | |
| Waste contracts | n/a |
| The council falls between the small and large authority thresholds for Transparency requirements so the code is advisory and considered best practice. A later briefing paper states that the government expects that medium councils will follow the guidance. | |

| | | |
|---|------------|-----|
| M. The authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. (Evidenced by website or minutes) | | YES |
| Publication Date | 10/05/2022 | |
| Date from | 11/05/2022 | |
| Date to | 22/06/2022 | |
| N. The authority has complied with the publication requirements for 2020/21 AGAR. | | YES |
| Notice of Period for Exercise of Electors Rights | yes | |
| Section 1 Annual Governance Statement | yes | |
| Section 2 Accounting Statements | yes | |
| Notice of Conclusion of Audit | yes | |
| Section 3 External Audit Report & Certificate | yes | |
| Internal Audit Report | yes | |
| O. Trust funds (including charitable) – The council met its responsibilities as a trustee. | | N/a |
| | | |

Annual Internal Audit Report 2021/22

Yarnfield and Cold Meece Parish Council

ENTER PUBLICITY WEBSITE ADDRESS www.ycm-pc.org.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. NO PETTY CASH HELD | | | ✓ |
| 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. | | | ✓ |

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

26/05/2022

Name of person who carried out the internal audit

SANDRA MORRIS ACMA

Signature of person who carried out the internal audit



Date

30/05/2022

*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:

Yarnfield and Cold Meece 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' 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. | ✓ | | | <i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i> |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | ✓ | | | <i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i> |
| 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. | ✓ | | | <i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i> |
| 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. | ✓ | | | <i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i> |
| 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. | ✓ | | | <i>considered and documented the financial and other risks it faces and dealt with them properly.</i> |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | ✓ | | | <i>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.</i> |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. | ✓ | | | <i>responded to matters brought to its attention by internal and external audit.</i> |
| 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. | ✓ | | | <i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i> |
| 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 | <i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i> |
| | | | ✓ | |

*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:

15 June 2022

and recorded as minute reference:

22 - 258 (i)

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

Chairman

Sally Paine

Clerk

JR Jones

www.ycm-pc.org.uk

Section 2 – Accounting Statements 2021/22 for

Yarnfield and Cold Meece Parish Council

| | Year ending | | Notes and guidance | |
|--|--------------------|--------------------|---|---|
| | 31 March 2021 £ | 31 March 2022 £ | | |
| 1. Balances brought forward | 4,285 | 11,067 | 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 | 24,840 | 25,194 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. | |
| 3. (+) Total other receipts | 2,712 | 10,095 | 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 | 8,052 | 8,918 | 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 | 12,718 | 17,454 | 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 | 11,067 | 19,984 | 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 | 11,067 | 19,984 | 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 | 72,105 | 72,472 | 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

J. Fraser

Date

15 June 2022

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

15 June 2022

as recorded in minute reference:

22-258(ii)

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

Sally Pan