

Yarnfield and Cold Meece Parish Council  
Annual Audit of Accounts  
2021 – 2022

Local Audit and Accountability Act 2014  
Accounts and Audit (England) Regulations 2015

Attached: scanned copies of the audit documents:

1. Notice of conclusion of the audit
2. Annual Internal Audit Report
3. Section 1 - Annual Governance statement
4. Section 2 – Accounting Statement
5. Section 3 - External Auditor Report and Certificate

John Fraser  
Parish Clerk  
Email: [ycmclerk@gmail.com](mailto:ycmclerk@gmail.com)  
Tel: 07546 456771

# YARNFIELD AND COLD MEECE PARISH COUNCIL

## Notice of Conclusion of The Audit Annual Return for the year ended 31<sup>st</sup> March 2022

Section 25 of the Local Audit and Accountability Act 2014  
Accounts and Audit (England) Regulations 2015

1. The audit of accounts for the Council for the year ended 31 March 2022 has been concluded.
2. The Annual Governance and Accountability Return is available for inspection by any local government elector of the area of the Council on application to:

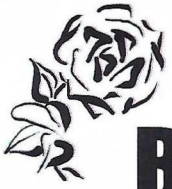
John Fraser, Parish Clerk  
5, De Havilland Drive  
Yarnfield  
Staffs  
ST15 0SX

Email: [ycmclerk@gmail.com](mailto:ycmclerk@gmail.com)  
Tel: 07546 456771

3. Copies will be provided to any local government elector on payment of £0.00 for each copy of the Annual Return.
4. The documents are also available from the Parish Council website at: <https://www.ycm-pc.org.uk/publications/finance/>

Announcement made by: John Fraser, Parish Clerk

Date of announcement: 29 September 2022



# Black Rose Solutions Limited

74 Leacroft Road  
Penkridge  
Staffs  
ST19 5BU

0781 321 7576

[sandie.morris@blackrosesolutions.co.uk](mailto: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

<b>A. Appropriate accounting records have been properly kept throughout the financial year.</b>	YES
Is the cashbook maintained and up to date?	yes
Is the cashbook arithmetic correct?	yes
Is the cashbook regularly balanced?	yes
<b>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</b>	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
<b>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>	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
<b>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b>	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).	

<b>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</b>	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

<b>F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</b>	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	

<b>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.</b>	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

<b>H. Asset and investments registers were complete and accurate and properly maintained.</b>	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

<b>I. Periodic and year-end bank account reconciliations were properly carried out.</b>	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

<b>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.</b>	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

<b>K. If the authority certified itself as exempt from a limited assurance review, it met the exemption criteria and correctly certified itself exempt</b>	n/a
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<b>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</b>	YES
<b>Transparency Code for Smaller Councils (income/expenditure under £25k)</b>	
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
<b>Transparency Code for Larger Authorities (income/expenditure &gt;£200k)</b>	
<b>Quarterly:-</b>	
All items of expenditure above £500	yes
Government Procurement Card transactions	n/a
Procurement information (initiations to tender > £5k)	n/a
<b>Annually:-</b>	
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
<b>One off:-</b>	
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.	

<b>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)</b>		YES
Publication Date	10/05/2022	
Date from	11/05/2022	
Date to	22/06/2022	
<b>N. The authority has complied with the publication requirements for 2020/21 AGAR.</b>		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	
<b>O. Trust funds (including charitable) – The council met its responsibilities as a trustee.</b>		N/a

# Annual Internal Audit Report 2021/22

## Yarnfield and Cold Meece Parish Council

ENTER PUBLICITY WEBSITE ADDRESS [www.ycm-pc.org.uk](http://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. <b>NO PETTY CASH HELD</b>			✓
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. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			✓
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 <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
<b>O. (For local councils only)</b> 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



Clerk



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## 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	<del>72,205</del> 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

*JR Fraser*

15 June 2022

Date

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

15 June 2022

as recorded in minute reference:

22-25B(ii)

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

*Edith Pan*

## Section 3 – External Auditor’s Report and Certificate 2021/22

In respect of

**Yarnfield & Cold Meece 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 2022; 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 2021/22

Except for the matters reported below on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, 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.

The Council has not fully implemented recommendations made in 2020/21 external audit reports. The Council answered yes to the relevant assertion in the 2021/22 Annual Governance Statement (assertion 7), claiming it has taken appropriate action in respect of audit reports, but the prior year fixed assets figure at Box 9 was incorrect for the second successive year.

In future, the Council should ensure that appropriate action in response to audit recommendations is taken within a reasonable time.

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

We were required to return the Annual Governance and Accountability Return to enable the Council to correct the following:

- A. Fixed assets at Box 9 for the year ending 31 March 2021 was initially understated because of a £100 typing error.

In future the Council should ensure that the Annual Governance and Accountability Return is accurate and complete.

### 3 External auditor certificate 2021/22

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

\*We do not certify completion because:

Not applicable

External Auditor Name

**Mazars LLP, Newcastle, NE1 1DF**

External Auditor Signature

*Mazars LLP*

Date

**23 August 2022**