

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

Budbrooke 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 2023, 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.	✓		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.**

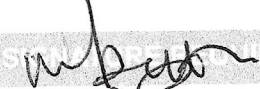
This Annual Governance Statement was approved at a meeting of the authority on:


07/06/2023

and recorded as minute reference:

R. C MINUTE REFERENCE

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

Chairman 

Clerk 

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Section 2 – Accounting Statements 2022/23 for


Budbrooke Parish Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	158,863	346,948	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	30,600	36,700	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	181,464	96,995	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	7,777	8,015	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	16,202	15,901	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	346,948	456,727	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	346,948	456,727	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	87,853	92,596	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 do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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

Signature: 
Date: 30/06/2023

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

07/06/2023
as recorded in minute reference:

12. c MINUTE REFERENCE
Signed by Chairman of the meeting where the Accounting Statements were approved

Signature: 
Date: 07/06/2023

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Budbrooke Parish Council

1 Respective responsibilities of the body and the auditor

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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

2 External auditor report 2022/23

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 the 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 inspection period for the exercise of electors' rights provided in respect of the 2022/23 AGAR does not include the first ten working days of July as specified in the Accounts and Audit Regulations, Part 15 (1). We would anticipate this being taken into account when completing Assertion 4 of the Annual Governance Statement on the 2023/24 AGAR.

On review, the council's reserves are higher than the generally accepted level for smaller authorities. General reserves are the level of reserves after adjusting for any earmarked or ringfenced funds, however, we have not received any breakdown of reserves between Restricted, Ringfenced, Earmarked and General to explain/support the level of reserves being retained. Per Paragraph 5.33 of JPAG Practitioners' Guide, best practice suggests that general reserves should cover at least 3 months of expenditure and anything greater than 12 months of expenditure is considered excessive. The council have received significant monies in relation to the Community Infrastructure Levy over the past 3 years which may provide some explanation, however after adjusting for these, the general reserves still appear to be more than 5 times the annual precept. Councils are not permitted to hold reserves without purpose; therefore the council needs to urgently review its requirements or it may be required to return the excess to its precepting authority.

Section 2 of the AGAR was submitted without the Trust Fund disclosures in Box 11a and 11b completed. Section 1 of the AGAR was submitted without the Trust Fund disclosure on Assertion 9 completed. These have not been resubmitted. Therefore, the form appears incomplete and we are unable to determine the status of the Council as a sole trustee and whether, if applicable, the accounts have been prepared in accordance with the Accounts and Audit Regulations 2015.

Section 12 of the Audit and Accounts Regulations 2015 requires the RFO to complete Section 2 of the Annual Governance and Accountability Return prior to passing it to the Council for its approval. This year, the Council approved Section 2 of the AGAR on 7 June 2023, before the RFO approval on 30 June 2023 which is a breach of this regulation. In future the Council should ensure the form is duly completed prior to it considering it for approval.

The Council has answered 'Yes' to Box 4 of Section 1 of the Annual Governance and Accountability Return which relates to how the Notice of Public Rights was advertised within the financial year 2022-23. Therefore, it relates to the Notice announcing the public right to review the 2021-22 return which was published during 2022-23. As noted in the Annual Internal Audit Report, this notice was not correctly advertised therefore this question should have been answered 'No'.

The Council should have answered 'No' to Assertion 7 of Section 1 of the Annual Governance and Accountability Return which relates to taking appropriate action on matters reported from internal and external audit. The External Auditors on the 2021-22 audit report noted that the notice of public rights was not correctly advertised, and Section 2 was signed off by the RFO after Council approval, and both issues have been required to be reported on for the current year.

Section 16(1) of the Audit and Accounts Regulations 2015 requires the Notice of Conclusion of Audit to be published on the authority's website. This is not present for the 21/22 review. In future, the Council should ensure that this notice is available on their website alongside the signed external audit report and the audited AGAR.

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

SEE CONTINUATION SHEET

3 External auditor certificate 2022/23

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 2023.

External Auditor Name

 MOORE

External Auditor Signature



Date

25/11/2024



MOORE

Budbrooke Parish Council

External Auditor Report & Certificate 2022/23

Continuation Sheet

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

The Internal Auditor has answered 'Yes' to question K on the Annual Internal Audit Report that are stated to relate to authorities that were exempt in the current or prior year. We would expect this to be answered 'Not covered' as they were not exempt.

The internal auditor has provided a 'Yes' response at control objectives L and N on their report. This suggests that the Council correctly published all relevant documents on its website. As the Council currently has not published the notice of conclusion for the 21/22 review, the answer to these points should have been 'No'.

Last year the External Auditor's Report noted that the Notice of Public Rights period did not include the first 10 working days of July. Therefore, we expected a 'No' response to control objective M on the Annual Internal Audit Report.

The Annual Internal Audit Report was submitted without the Trust Fund disclosure in Control Objective O completed. As this is part of the Reporting requirements all items should be completed prior to submission in future..

The Council left a significant time period between approval of the Annual Governance and Accountability Return and the commencement of the Public Rights Period. The Audit and Accounts Regulations 2015, section 12 (3)(a) and proper practices require that following approval of the Return, the Public Rights Period should commence as soon as is reasonably practicable when taking into consideration the mandatory inclusion of the first 10 working days of July.

Incomplete information was provided with the initial supporting data submitted for review with regards to the bank reconciliation and explanation if significant variances, which were later provided on request. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

Annual Internal Audit Report 2022/23

Budbrooke Parish Council

budbrookepc.org.uk ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, 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 2022/23 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.	✓		
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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")	✓		
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.	✓		
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 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

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

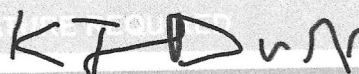
Date(s) internal audit undertaken

08/03/2023 07/04/2023 10/04/2023

Name of person who carried out the internal audit

ENTER Kenneth James Dunn AUDITOR

Signature of person who carried out the internal audit

SIGNATURE 

Date

11/04/2023

*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).