

Annual Governance and Accountability Return 2021/22 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 2021/22

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 2022**.
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 2022**. 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 2022
 - 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 2021/22

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 2022 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 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 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) 2021/22

- 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. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- 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 2022.
- 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.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, 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 external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, 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 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- 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 2022.**

| Completion checklist – 'No' answers mean you may not have met requirements | | Yes | No |
|--|--|-------------------------------------|--------------------------|
| All sections | Have all highlighted boxes have been completed? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Internal Audit Report | Have all highlighted boxes been completed by the internal auditor and explanations provided? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Section 1 | For any statement to which the response is 'no', has an explanation been published? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Section 2 | Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Has an explanation of significant variations been published where required? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Has the bank reconciliation as at 31 March 2022 been reconciled to Box 8? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Has an explanation of any difference between Box 7 and Box 8 been provided? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

STONESFIELD PARISH COUNCIL

stonesfield.online

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. | | | ✓ |
| 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

27/05/2022

Name of person who carried out the internal audit

Kirsty Buttle CILCA

Signature of person who carried out the internal audit

K. Buttle

Date

27/05/2022

*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:

STONESFIELD 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 | No* | 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:

08/06/22

and recorded as minute reference:

22/502.04 June 22

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

STONESFIELD PARISH COUNCIL

| | Year ending | | Notes and guidance |
|---|-----------------------|-----------------------|---|
| | 31 March 2021 £ | 31 March 2022 £ | |
| 1. Balances brought forward | 55,745 | 60,135 | Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. 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 | 31,960 | 33,993 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 17,315 | 19,093 | 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 | 17,660 | 18,478 | 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 | 27,225 | 22,560 | 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 | 60,135 | 72,183 | 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 | 60,135 | 72,183 | 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 | 29,893 | 36,604 | 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

SIGNATURE REQUIRED

Date

08/06/22

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

08/06/22

as recorded in minute reference:

22/50203 JUNE 22

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

SIGNATURE REQUIRED

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

STONESFIELD PARISH COUNCIL

In respect of

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. (*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 2021/22

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 2022.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

Bank Rec to 31/3/22

13 May 2022 (2021-22)

Stonesfield Parish Council
STATEMENT OF ACCOUNTS

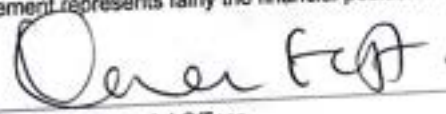
| | RECEIPTS | PAYMENTS |
|-------------------------------|-----------|-----------|
| Opening Balance | | |
| Balance at Bank | 60,135.09 | |
| Cash in Hand | | |
| Staff Salaries | | 10,512.06 |
| HMRC PAYE | | 4,238.43 |
| Staff Expenses | | |
| Staff Training | | |
| WODC grant income | | |
| OCC grant income | 2,022.40 | |
| S106 grant income | | |
| Rural Payment Agency receipts | 1,119.00 | |
| Allotment rent | | |
| VAT refund | | |
| Interest income | 1.65 | |
| Other income | 15,750.00 | |
| Maintenance | | 498.23 |
| WODC grass cutting | | 1,945.59 |
| Weed control | | |
| Utilities | | 5.59 |
| Venue hire | | 134.00 |
| Allotment expenses | | 150.00 |
| Common expenses | | 692.68 |
| Subscriptions | | 286.50 |
| Audit expenses | | 395.00 |
| Insurance | | 464.41 |
| Legal costs | | |
| Bank charges | | |
| IT & Website costs | | 1,219.16 |
| Councillor training courses | | |
| WODC election expenses | | |
| S106 expenditure | | 2,000.00 |
| S137 expenditure | | |
| S142 expenditure | | |
| Grants awarded by Council | | 5,328.00 |
| Miscellaneous | | 50.00 |
| SAFER | | 4,482.00 |
| Precept income from WODC | 33,993.00 | |
| Councillor expenses | | |
| CALA | | |
| Office expenses | | 259.88 |
| Clerk office expenses | | 472.77 |
| SPC reserves | | |


clerk zero.

Stonesfield Parish Council
STATEMENT OF ACCOUNTS

| | RECEIPTS | PAYMENTS |
|-----------------------------|------------|------------|
| Pensions | | 3,727.56 |
| Asset Register | | 1,360.00 |
| WODC grant income | | 1,000.00 |
| MUGA RING FENCED MONEY s106 | | |
| Lease Costs | 200.00 | 320.00 |
| Grant TO THE PC | | 1,496.29 |
| Neighbourhood Plan | | 41,038.15 |
| VAT | 53,086.05 | |
| Closing Balances: | | 72,182.99 |
| Balances in Bank Account | | |
| Cash in Hand | | |
| TOTAL | 113,221.14 | 113,221.14 |

The above statement represents fairly the financial position of the council as at 31 Mar 2022

Signed 
Responsible Financial Officer

Date 13/5/22

Stonesfield Parish Council
ANNUAL RETURN - Section 2 : Statement of Accounts

13 May 2022 (2021-22)

Explanation of variances

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on an PAYMENTS and RECEIPTS basis.

| Box No. | Description | 31/03/2021 £ | 31/03/2022 £ | Variance £ | Variance % | Explanation Required? | Notes |
|---------|--|-----------------|-----------------|---------------|---------------|--------------------------|--|
| 1 | Balances brought fwd | 55745.35 | 60135.09 | | | | BALANCE B/F AGREES |
| 2 | Annual precept | 31960.00 | 33993.00 | 2033.00 | 6% | No | Precept was increased to allow a larger grant fund. |
| 3 | Total other receipts | 17314.82 | 19093.05 | 1778.23 | 10% | No | £1,250 grant received from Oxfordshire CC towards a traffic calming initiative in 21/22, Also received £950 grants from the community towards a speed indicator device in this financial year. Both are one off. |
| 4 | Staff Costs | 17659.97 | 18478.05 | 818.08 | 5% | No | Incremental staff increases, increased pension contributions and maintenance support did more hours (also higher rate pay due to agreed wage increase) |
| 5 | Loan interest/capital repayments | 0.00 | 0.00 | 0.00 | 0% | No | |
| 6 | Total other payments | 27225.11 | 22560.10 | -4665.01 | 17% | Yes | 2020/21 had high planning & legal costs which were not needed in 2021/22. In 2020/21 the PC also gave out significantly more grants. |
| 7 | Balances carried forward | 60135.09 | 72182.99 | 12047.90 | 20% | No | |
| 8 | Total Cash and Short Term Investments | 60135.09 | 72182.99 | 12047.90 | 20% | No | |
| 9 | Total Fixed Assets and Long Term Investments | 29893.00 | 36604.00 | 6711.00 | 22% | Yes | Asset register was updated to ensure it included all equipment. In March 2022 a bespoke bench was installed at a cost of 7k hence the increase in asset value. |
| 10 | Total Borrowings | 0.00 | 0.00 | 0.00 | 0% | No | |

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Check zero.

Stonesfield Parish Council
ANNUAL RETURN - Section 2 : Statement of Accounts

Explanation of variances

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on an PAYMENTS and RECEIPTS basis.

| Box No. | Description | 31/03/2021 £ | 31/03/2022 £ | Variance £ | Variance % | Explanation Required? | Notes |
|---------|-------------|-----------------|-----------------|---------------|---------------|--------------------------|-------|
|---------|-------------|-----------------|-----------------|---------------|---------------|--------------------------|-------|

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

| | | | |
|---------------------------|----------------------------|-------------------------|--|
| Name of council: | Stonesfield Parish Council | | |
| Name of Internal Auditor: | Kirsty Buttle | Date of report: | 27 th May 2022 |
| Year ending: | 31 March 2022 | Date audit carried out: | 26 th and 27 th May 2022 |

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:

I completed the year-end audit review of Stonesfield Parish Council remotely on 26th and 27th May 2022.

I reviewed the information available on <https://stonesfield.online/>. I was able to access the majority of documents on the website and was provided additional documents by e-mail. By examination of these documents and records plus further questioning, I tested aspects of the Council's internal controls as required for the Internal Audit section of the Annual Return.

I would like to point out the following issues which do not affect the responses made in the AGAR Annual Internal Audit Report but should be considered for the new financial year:

- The Local Government Act 1972 requires the 1st item on the agenda of the Annual Meeting of the Parish Council to be the election of Chairman.
- It should be clear in the minutes whether apologies are noted or accepted as this has implications in relation to the '6 month rule' – see LGA 1972, C70, S85 if further information is required.
- As raised in the previous year's internal audit report, both the budget amount and precept amount should be minuted at a full council meeting.
- Governance documents do not appear to be available on the Parish Council website.
- The AGAR documents should be separately minuted in order to evidence that they have been completed in the correct order.

I have ticked 'not covered' to statements F, K, and L of the Internal Audit Report for the following reasons:

- The Parish Council does not hold petty cash.
- The Parish Council did not declare itself as exempt from external audit in 2020/21.
- The Transparency Code for Smaller Authorities does not apply to Stonesfield Parish Council currently due to income/expenditure being over £25k.

There is no minute showing the Parish Council reviewed its Risk Assessment within the financial year although I was provided a copy of a Risk Assessment dated June 21 which ties up with the Parish Council's usual timescales for reviewing the Risk Assessment. I was advised that this was purely an oversight in regards to minuting and on that basis I have ticked 'yes' to statement C. Please note that approval of policies such as the Risk Assessment must be minuted in future.

I can confirm that all other matters appear to be in order and I was able to answer 'yes' to all remaining questions and have signed the Return as required.

Yours faithfully,

Mrs Kirsty Buttle, CILCA
Internal Auditor to the Council
07419 126 206
kirstybuttle@hotmail.co.uk

The figures submitted in the Annual Governance and Accountability Return are:

| | Year ending 31 March 2021 | Year ending 31 March 2022 |
|--|------------------------------|------------------------------|
| 1. Balances brought forward | 55745.35 | 60135.09 |
| 2. Annual precept | 31960 | 33993 |
| 3. Total other receipts | 17314.82 | 19093.05 |
| 4. Staff costs | 17659.97 | 18478.05 |
| 5. Loan interest/capital repayments | 0 | 0 |
| 6. Total other payments | 27225.11 | 22560.10 |
| 7. Balances carried forward | 60135.09 | 72182.99 |
| 8. Total cash and investments | 60135.09 | 72182.99 |
| 9. Total fixed assets and long-term assets | 29893 | 36604 |
| 10. Total borrowings | 0 | 0 |

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed.

Smaller authority name: _____

STONESFIELD PARISH COUNCIL**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN****ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)****NOTICE****NOTES**1. Date of announcement Thursday 9th June 2022 (a)

(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below

2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review. Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2022, these documents will be available on reasonable notice by application to:

(b) KAREN EAST, CLERK & RFO, C/O VILLAGE HALL, STONESFIELD, OR EMAIL TO CLERK@STONESFIELDPC.UK

(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts

commencing on (c) Friday 10th June 2022and ending on (d) Thursday 21st July 2022
[the 30th working day after (c) above]

3. Local government electors and their representatives also have:

- The opportunity to question the appointed auditor about the accounting records; and
- The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and extends for a single period of 30 working days (inclusive) ending on the date appointed in (d) below

4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:

(d) The inspection period between (c) and (d) must also include the first 10 working days of July.

Moore (Ref RD/hd)
Rutland House,
Minerva Business Park,
Lynch Wood,
Peterborough
PE2 6PZ

**MOORE**5. This announcement is made by (e) Karen East – Clerk and RFO

Lower East - KRO

(e) Insert name and position of person placing the notice - this person must be the responsible financial officer for the smaller authority

MOORE

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

By law, any interested person has the right to inspect the accounting records of smaller authorities. If you are a local government elector or registered to vote in the local councils' elections, then you are able to ask questions about the accounts and object to them.

The right to inspect the accounting records

When your council has finalised its accounts for the previous financial year, they must advertise that they are available for people to inspect. You must then provide the council with reasonable notice of your intentions. Following this, by arrangement you will then have 30 working days to inspect and make copies of the accounting records and supporting documents. You may be required to pay a copying charge.

The right to ask the auditor questions about the accounting records

If you have any questions regarding the accounting records, you should first ask your smaller authority. This must be done during the 30-day period for the exercise of public rights. You may also ask the appointed auditor questions about an item in the accounting records. However, the auditor can only answer 'what' questions, not 'why' questions so is limited with their response. To avoid any confusion, it is advised that you put your questions in writing.

The right to make objections

Should you view something as unlawful or believe there are matters of wider concern in the accounts, you may wish to object. If you are a local government elector, you have the right to ask the external auditor to apply to the courts for a declaration that an item is contrary to the law and should be reported as a matter of public interest. This must be done by telling the appointed auditor which specific item in the accounts you object to and why you believe it to be unlawful or think a public interest report should be made about it. You must provide clear evidence to support your objection, and this should be done in writing and the copied to the council.

You should not use the 'right to object' to make a personal complaint or claim against your smaller authority. Complaints of this nature should be taken to your local Citizens' Advice Bureau, local Law Centre or to your solicitor.

A final word

Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, the auditor must consider the cost that will be involved. They will only continue with the objection if it is in the public interest to do so. If you appeal to the courts against an auditor's decision, you may have to pay for the action yourself.