



Bank Reconciliation

Financial Year ending 31 March 2022

Name of smaller authority: BILLING PARISH COUNCIL

County Area: WEST NORTHAMPTONSHIRE

Prepared by: Mrs C. Goodridge (Clerk and Responsible Financial Officer)

Date: 7th April 2022

Balance per bank statements as at 31/3/22:

Current Account	£11,357.06	
Reserve Account	<u>£336,799.56</u>	
		£348,156.62
Petty cash float	N/A	
Less: Unreconciled Direct Debit as at 31/3/22		
voucher number 1766	<u>(£468.31)</u>	(£468.31)
Add: any un-banked cash as at 31/3/22		
N/A		
Net balances as at 31/3/22		<u><u>£347,688.31</u></u>

The net balances reconcile to the Cash Book (receipts and payments account) for the year as follows:

Opening Balance 01 April 2021	£299,151.02
Add: Receipts in the year	£210,477.13
Less: Payments in the year	<u>£161,939.84</u>

Closing Balance per cash book (receipts and payments book) as at 31 March 2022:

£347,688.31

Explanation of variances – pro forma

Name of smaller authority: [REDACTED]

County area (local councils and parish meetings only): [REDACTED]

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- **New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2020/21 £	2021/22 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	233,975	299,151					
2 Precept or Rates and Levies	171,240	175,450	4,210	2.46%	NO		
3 Total Other Receipts	47,809	-35,027	-12,782	26.74%	YES		A one off Covid Support grant of £12,694.50 was issued by Northampton Borough Council in December 2020 which was not repeated in 2021-2022
4 Staff Costs	57,700	65,951	8,251	14.30%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	96,173	95,889	-184	0.19%	NO		
7 Balances Carried Forward	299,151	347,688			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	299,151	347,688				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	260,566	265,143	4,557	1.75%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Annual Internal Audit Report

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

Name of council:	Billing Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	24 th May 2022
Year ending:	31 March 2022	Date audit carried out:	7 th April & 24 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:

Thank you very much to the Parish Clerk for supplying me with the information I requested to carry out this Annual Internal Audit. I have met with the Clerk in person and discussed matters over the telephone & via email.

Results

The work completed is identified in the table below and action required is highlighted:

Area of Work	Observations/Points
Adoption of Policies	Key policies were adopted at the Annual Parish Council meeting in May
Accounting Records	The accounts were maintained using the receipts & payments method but following discussions with the Clerk I advised that I believed they should be amended to Income & Expenditure; this was clarified by PKF. The accounts have therefore been re-worked by an accountant and balance to bank statements. NOTE: Going forward the Council will need to purchase an accounts package
Asset Register	The Asset Register is an accurate reflection of council owned assets

Bank reconciliations	Bank reconciliations were reviewed and confirmed to be done on a monthly basis with due care and attention. Bank balances were confirmed to statements as at the 31 st March 2022.
Budget	The Parish Council has followed due process for the agreement of the Budget NOTE: there is a £16,000 contingency in the budget; the council should have a reason for budgeting this money
Earmarked Reserves	Reserves are being drawn on to support expenditure during 2022/2023 NOTE: I cannot see any evidence from the Minutes that reserves have been earmarked and the Council is carrying over almost double the amount of the Precept. The Council should have a process in place to earmark reserves so the electorate may understand why monies are being held.
Insurance	The Annual Insurance payment was paid at the May meeting
Internal Control	Internal Control has been regularly completed, minuted, and follows due process
Minutes of Meetings	Minutes were reviewed. NOTE: In June and November 2021 the Council held two closed sessions. There are not any Minutes to show the outcome of the closed sessions. I have advised the Clerk that these sessions should have a Minuted outcome whilst adhering to GDPR
PAYE	Payments to HMRC are being paid monthly and are following correct procedures
Precept	Due process was followed to agree the Precept Demand
Risk Assessments	The Parish Council's Risk Assessments were approved at the June & December 2021 Council meetings
VAT return	The balance as at 31 st March 2022. No errors were observed
Website	The Council's website is in very good order and up to date
Year-end procedures	Year-end procedures have followed due process

Summary

In my opinion the Council is keeping their books and records in very good order and is following due process in most elements. The Council will need an Interim Internal Audit half way through this next financial year and I look forward to returning in the autumn to carry this out.

I wish the Parish Council a very successful 2022/2023.

Yours sincerely,

Tina Charteress

Mrs Tina L Charteress CILCA
Internal Auditor to the Council
07818 084231
tcharteress@gmail.com

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	234,101	300,388
2. Annual precept	171,240	175,450
3. Total other receipts	39,198	29,580
4. Staff costs	57,209	65,666
5. Loan interest/capital repayments	0	0
6. Total other payments	89,942	91,041
7. Balances carried forward	300,388	348,711
8. Total cash and investments	299,151	347,688
9. Total fixed assets and long-term assets	260,586	265,143
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. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2020-2.pdf>