

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

Stirchley and Brookside 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.	✓		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:

26/07/2022

and recorded as minute reference:

Fcl 22144(a).

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

Chairman



Clerk



www.sbpc.org.uk

Annual Internal Audit Report 2021/22

Stirchley and Brookside Parish Council

stirchleyandbrooksideparishcouncil.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.

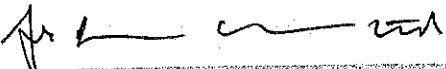
The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the 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.

KEY: IA = Internal Audit

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.		✓	✓ see IA
B. This authority complied with its financial regulations, payments were supported by Invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	✓ reports.
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.	✓		✓ except for issue 4.3 in interim IA reports.
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.		✓	✓ see IA report
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.		✓	✓ see IA
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.		✓	✓ reports.
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")	N/A		✓
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: 26/01/2022 and 24/06/2022
Name of person who carried out the internal audit: JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit:  Date: 28/06/2022

*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).

Stirchley & Brookside Parish Council

Follow up report on Year End Internal Audit Report 2021/22

Our Internal Auditor identified a number of issues which needed to be addressed prior to submission of our year end accounts. To this end an extension of time was requested and approved by the External Auditor until the 29th July 2022 although they have pointed out that they have no powers to amend the statutory approval deadline of 30th June so they will be obliged to report on the missed deadline within their review.

I have since worked with Scribe to address the accounting issues raised and they have now been resolved. As requested, I have also requested a review from our former accountants, DCK Beavers who have reviewed the accounts remotely.

Responses to the Internal Auditor's comments are detailed below using his original numbering system. The Internal Auditor has attached his Interim Internal Report to the Year End Report which in turn incorporated his follow up report from the 2020/21 Year End Report so there is some repetition despite issues being addressed in the interim period. The up to date position is as follows:

2021/22 Year End Issues:

1 A Unpresented Payments - The unpresented items were errors or amendments that were addressed during the financial year but not 'cash off' the ledger. These have since been cleared with the support of Scribe - **Resolved**

1 B Duplicated unpresented items / Creditors – These payments were entered into the Scribe ledger on receipt but were unpaid at the year end. They were then entered again as creditors to adjust for the next financial year. They should not have been entered onto the Scribe ledger until they were approved for payment and have since been corrected with the support of Scribe - **Resolved**

Note: Scribe works slightly differently to our previous accounting system RBS, which automatically adjusts for unpaid bills. RBS works on an Income and Expenditure basis throughout the year whilst Scribe works on a Receipts and Payments basis throughout the year then calculates the required adjustments at the year end. As this was the first year end since swapping the accounts there was an inputting error which will not be repeated.

1 C Payroll Net Expenditure - These relate to tax/Ni deductions from Month 12 salaries and have now been entered as creditors – **Resolved**

1 D Direct Debits relating to 22/23 – These 'payments' were created mid-year based on a 12 month tax invoice issued by the supplier to cover the monthly payments due. Those for the new financial year should not have been included and have since been corrected – **Resolved**

1 E Unpresented Receipts – These have been entered as 'debtors' and removed from the unpresented payments list (see note above) – **Resolved**

2 *Number not used*

3 **VAT Issues** During the year there were a number of corrections to the ledger, post submission of the quarterly VAT claims. These have been reconciled quarter by quarter on the attached spreadsheet. Any corrections identified post year end have been corrected with the support of Scribe in the first quarter of 2022/23 financial year and can be seen in the transactions list as journal entries.

The remaining £28.86 relates to the different way in which RBS and Scribe calculate the VAT position. RBS automatically nets off creditor vat and adjusted for this amount in the 2020/21 Q4 VAT submission but as Scribe works on a receipts and payments basis this amount needed to be corrected in the opening VAT position to calculate the VAT correctly. This has been resolved with the support of Scribe and in consultation with DCK Beavers - **Resolved**

Note: The RFO has enrolled in a VAT training course which should ensure there is no repetition of the mid-year errors but Scribe will now carry forward the correct VAT balance into the 2022/23 year and the problem should not recur.

4 **Petty cash balance** The recommendation that the petty cash be balanced and confirmed by a councillor at the yearend is noted and will be implemented next year. The petty cash imbalance at 15 February was resolved by identifying an incorrect ledger entry as compared with the original receipt. Following correction the petty cash has been reconciled satisfactorily and will be verified by the Audit sub-committee this week.

The recommendation that the till balance be verified by a councillor at regular intervals and at year end will also be implemented. The till continues to be reported as a cashbook for accounting purposes but cash transactions are being minimised where possible and any income related to the sales ledger is being kept separately from receipts relating to photocopying / coffee bar etc. A coin counting machine has been purchased to speed up the counting process.

2021/22 Interim Internal Audit:

1 **Bank Reconciliations** This issue has been resolved. The cashbook had in fact been reconciled successfully until June 2021 but the reintroduction of the cash till and the incorrect input of receipts to the till as receipts to cashbook 1 had resulted in significant errors. These were resolved with the support of Scribe during Feb/March 2022 and bank reconciliations have been reported regularly since then - **Resolved**

2 **Dual Authorisation of online payments** – This issue was in progress at the time of the internal audit and has since been fully implemented – **Resolved**

3 **Petty cash internal controls** See comments above. Petty Cash and till are now reconciled against the appropriate 'Any Bank' reports. A nominated councillor has now been appointed to undertake regular reconciliation checks - **Ongoing**

4 **Budgetary Control Issues** This recommendation was considered at the February meetings of the Audit sub-committee and Personnel and Resources Committee and revised budget

reporting agreed. Variances from budgets are currently reported verbally but the requirement for written explanations will be addressed in future reports – **Outstanding**

5 *Number not used*

6 **Member checks on payments** Meetings of the audit sub-committee usually take place three times per year. This does not coincide with the planned quarterly checks detailed in the Internal Audit Plan so it is recommended that the sub-committee meets four times each year to carry out and verify the sample checks have been carried out. All payments and receipts are however reported to the Personnel and Finance Committee and those members authorised to sign off online payments are provided with access to Scribe to enable them to compare the invoice with the payment prior to authorisation – **Ongoing**

7 **Big Local Payments** There have been ongoing difficulties in obtaining signatures during a period when Big Local Trust meetings have regularly been inquorate and whilst the Big Local Coordinator has been on extended leave. The requirement for signatures is recognised and regularly emphasised to Local Trust members. Where a payment has been urgent the relevant payment authorisation is obtained verbally and confirmed in writing at the earliest opportunity - **Ongoing**

Note – The parish council has given notice that it will no longer undertake the role of Locally Trusted Organisation for Brookside Big Local after September

2020/21 Internal Audit:

- 1 **Dual authorisations** See comments in 2 above – **Resolved**
- 2 **Financial Planning** The five year budget plan which was in place prior to the 2020/21 Internal Audit has since been verified – **Resolved**
- 3 **Purchase Orders** See follow up comments - **Resolved**
- 4 **Contracts List** This list has been compiled and is being maintained – **Ongoing**
- 5 **Risk Assessment** The council has responded to this finding by enhancing its checks on suppliers and verifying any changes to bank details but these procedures have not yet been formalised into a robust policy – **Outstanding**
- 6 **Petty cash controls** These recommendations refer to the manual records kept prior to introduction of Scribe and are superseded by the recommendations in later reports
- 7 **Payroll Review** Recommendations implemented – **Resolved**
- 8 **Asset Register** Work commenced on developing a comprehensive fixed asset register in February, in accordance with the internal audit plan. A large number of Covid absences in February and March prevented completion of the exercise before the year end so the register was updated only with the value of new acquisitions by the year end – **Outstanding**
- 9 **Publication of Public Rights Notice** Evidence retained - **Implemented**

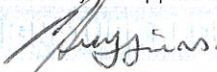
Section 2 – Accounting Statements 2021/22 for

Stirchley and Brookside Parish Council

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	207,420	231,219	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	316,718	316,718	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	145,867	197,663	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	267,816	258,329	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	11,073	10,925	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	159,897	135,525	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	231,219	340,821	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	204,321	342,932	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	542,441	545,152	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	65,000	55,000	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



Date

19/07/2022

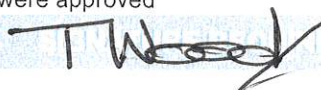
I confirm that these Accounting Statements were approved by this authority on this date:

26/07/2022


as recorded in minute reference:

FC 22/44 (b)


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



Stirchley and Brookside Parish Council

Prepared by: 
Name and Role (Clerk/RFO etc)

Date: 26/7/22

Approved by: 
Name and Role (RFO/Chair of Finance etc)

Date: 28.7.22

	Bank Reconciliation at 31/03/2022		
	Cash in Hand 01/04/2021		204,320.51
	ADD		
	Receipts 01/04/2021 - 31/03/2022		558,010.62
			762,331.13
	SUBTRACT		
	Payments 01/04/2021 - 31/03/2022		419,399.37
A	Cash in Hand 31/03/2022 (per Cash Book)		342,931.76
	Cash in hand per Bank Statements		
	Petty Cash 31/03/2022	52.56	
	Till 31/03/2022	418.02	
	CB9 - Public Sector Deposit Fund 31/03/2022	110,000.00	
	CB6 - Nationwide - Business 95 D€ 31/03/2022	76,646.95	
	CB5 - Bank of Scotland - Business 31/03/2022	168.05	
	CB2 - Bank of Scotland - Business 30/03/2022	127,816.97	
	CB1 -Bank of Scotland - Treasurer: 31/03/2022	27,829.21	
			342,931.76
	Less unrepresented payments		
			342,931.76
	Plus unrepresented receipts		
B	Adjusted Bank Balance		342,931.76
	A = B Checks out OK		

**Stirchley and Brookside Parish Council
Reconciliation between Box 7 and Box 8**

31/03/2022

This report explains the difference between the total balance in Box 7 and the cash balance in Box 8 by showing the totals for each type of adjustment, the details of which can be listed using the Adjustments report. It deducts the additional assets which have been included on the balance sheet and adds back in the liabilities to arrive at the balance for actual cash and short term investments. This only applies to Annual Returns prepared on Income and Expenditure basis

	<i>Amount</i>	<i>Amount</i>
Box 7 - Balances carried forward		340,820.98
Debtors	116.50	
Prepayments		
Stocks and Stores		
VAT Recoverable	5,949.82	
TOTAL DEDUCTIONS		6,066.32
Creditors	8,132.10	
Receipts in Advance		
Doubtful Debts	45.00	
TOTAL ADDITIONS		8,177.10
Box 8 - Total cash and short term investments		342,931.76



CONFIRMATION OF THE DATES OF THE PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

Name of smaller authority: Stirchley and Brookside Parish Council

County Area (local councils and parish meetings only): Telford and Wrekin

On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on 1st July 2022

and ending on 11th August 2022

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2022 (i.e. Friday 1 July – Thursday 14 July).

We have suggested the following dates: Monday 13 June – Friday 22 July 2022. The latest possible dates that comply with the statutory requirements are Friday 1 July – Thursday 11 August 2022.)

Signed: _____

Role: Responsible Finance Officer

This form is only for use by smaller authorities subject to a review:

Please submit this form to PKF Littlejohn LLP with the AGAR Form 3 and other requested documentation – this form is not for publication on your website.