

PARISH COUNCIL 4TH OCTOBER 2022

Agenda item

FINANCIAL REPORT

1. **Purposes**

To deal with the following matters:

- (a) External audit
- (b) Banking arrangements;
- (c) Vouchers for approval and cheque for signature.

2. **External Audit**

- 2.1 The external auditors, PKF Littlejohn, have now issued the external audit certificate for our 2021/22 accounts. This is attached. It confirms that “the information in Sections 1 and 2 of the AGAR is in accordance with “proper practices” and that there is only one matter which has arisen which is not in accordance with relevant legislation and regulations, namely:

The authority has not restated the 2020/21 figure when revaluing assets in Section 2, Box 9. The Practitioners’ Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability. The Responsible Finance Officer’s (RFO’s) view is that assets should where possible be given the most up-to-date valuation. This valuation was available for Play Area equipment in 2021/22 but not for 2020/21. The RFO was not prepared to ‘invent’ a figure, so the criticism was inevitable, but will not recur.

- 2.2 The Parish Council is now required to publish a “Notice of conclusion of audit” which details the public’s right of inspection. This notice, along with Sections 1, 2 and 3 of the AGAR must appear on the Council’s website by 30th September 2022. The Clerk has already drawn up and displayed this information.
- 2.3 The Parish Council is **requested** to note the above and to **endorse** the attached Notice of conclusion of audit.

3. **Banking Arrangements**

- 3.1 During the latest review of banking arrangements at the previous Parish Council meeting, it was noted that the new Parish Clerk already supports two other Parish Councils, both of which procure banking services from Unity Trust Bank, and that there is a high degree of satisfaction with the service provided. It was therefore **decided** to instruct the Responsible Financial Officer (RFO) to bring a report to the next monthly meeting setting out the detailed implications of switching from HSBC to Unity Trust Bank. Minute 089.4 refers.

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- 3.2 The RFO has been in telephone contact with Unity Trust Bank. Unity Trust are ready to accept an application for this Council to switch its current account from HSBC UK to a Tier 1 Business Current Account. The key parameters of this account are:
- On-line account management with 24/7 access allowing single, dual and triple authorisation of payments available using Internet Banking;
 - Clear and transparent fees – there is a monthly account fee of £6 which is charged quarterly with no individual transaction charge for normal receipts and payments;
 - A cheque book and on-line or papers statements;
 - A UK based call centre with access to specialist advice.
- 3.3 The urgency of this matter has been increased by the refusal of HSBC UK to give the RFO access to existing business current account, which means that he cannot keep track of individual banking transactions.
- 3.4 The RFO has already commenced the application and switching process, but this will only be finalised with the formal approval of the Parish Council. The following resolution is required at this stage:
- (i) **“The Parish Council wish to open a current account with Unity Trust plc and to appoint ‘Unity’ as our bankers. We agree ‘Unity’s’ terms and conditions.**
 - (ii) **Our key contact will be our Responsible Financial Officer, David Rawlinson. We do not wish our key contact to become an authorised signatory but we do want him to be registered for internet banking. The key contact will need access to view the account and to submit and authorise payments.**
 - (iii) **We wish our current account with HSBC UK to be switched in full to ‘Unity’.**
 - (iv) **We wish to nominate four Councillors as cheque signatories - Cllr. Miss Jakeman, Cllr. Mrs. Brown, Cllr. Narburgh and Cllr. Mrs. Potter. We also wish to nominate Cllr. Whale and Cllr. Ms. Voysey as additional users.**
 - (v) **We require two authorised signatures on every cheque and we require all external payments to be authorised by two users, with individual payments over £5,000 to be authorised by three users.**
 - (vi) **We will pay an initial deposit of £500 to open the new account.”**

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- 3.5 The Parish Council is **recommended** to adopt the above resolution and to **authorise** the RFO to initiate the switching process as soon as possible.

4. **Vouchers/Invoices for Approval and Cheques for Signature**

- 4.1 A schedule of vouchers/invoices is attached.

4.2 **Recommendation:**

The Council is **requested** to approve the schedule of vouchers and to instruct two Councillors to initial the vouchers and sign the cheques still to be paid.

Section 3 – External Auditor Report and Certificate 2021/22

In respect of **Alveley and Romsley Parish Council – SH0008**

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 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor report 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 (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR 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 AGAR was not accurately completed before submission for review:

- The smaller authority has not restated the 2020/21 figure when revaluing assets in Section 2, Box 9. Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.

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

None.

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.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

04/09/2022

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Alveley and Romsley Parish Council

Notice of conclusion of audit

Annual Governance & Accountability Return for the year ended 31 March 2022

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
<p>1. The audit of accounts for Alveley and Romsley Parish Council for the year ended 31 March 2022 has been completed and the accounts have been published.</p> <p>2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of Alveley and Romsley Parish Council on application to:</p> <p>(a) Mr. David Rawlinson, Responsible Financial Officer, 43 Church View Gardens, Kinver, Stourbridge DY7 6EE Telephone: 07972040818 Email: rfo@alveleyandromsleyipc.org.uk</p> <p>(b) Inspection rights may be exercised from 10.00 to 16.00 on Mondays or Tuesdays, excluding Bank Holidays</p> <p>(c) Copies will be provided to any person on payment of £ 1 for each copy of the Annual Governance & Accountability Return.</p> <p>Announcement made by: (d) David Rawlinson, Responsible Financial Officer</p> <p>Date of announcement: (e) 10th September 2022</p>	<p>This notice and Sections 1, 2 & 3 of the AGAR must be published by 30 September. This must include publication on the smaller authority's website. The smaller authority must decide how long to publish the Notice for; the AGAR and external auditor report must be publicly available for 5 years.</p> <p>(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR</p> <p>(b) Insert the hours during which inspection rights may be exercised</p> <p>(c) Insert a reasonable sum for copying costs</p> <p>(d) Insert the name and position of person placing the notice</p> <p>(e) Insert the date of placing of the notice</p>

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4TH OCTOBER 2022

CHEQUE	PAYEE	NET	VAT	TOTAL	ITEM	COUNCIL POWER
SCHEDULES OF PAYMENTS AND CHEQUES TO BE APPROVED						
S.O.	Payroll	656.90		656.90	September 2022 payroll	L.G.A. 1972 s. 112
202376	Payroll New Clerk	425.10		425.10		
202377	HMRC	280.10		280.10	PAYE and National Insurance	
D.D.	HSBC UK	14.00		14.00	Bank charges August 2022	L.G.A. 1972 s. 111
202378	Shropshire Council	1,500.00		1,500.00	Grant for Severn Valley Country Park	L.G.(Misc .Provn.) Act 1976 s19
202379	PKF Littlejohn LLP	300.00	60.00	360.00	External audit fee	L.G.A. 1972 s.111
202380	Unity Trust Bank plc	500.00		500.00	Initial deposit to open new bank account	L.G.A. 1972 s.111
		<u>3,676.10</u>	<u>60.00</u>	<u>3,736.10</u>		

Signed

D Rawlinson

D.H. RAWLINSON
Clerk/R.F.O.

Chairman