

Smaller authority name: Mawnan Parish Council

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

**Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p>1. Date of announcement <u>25th June 2021</u> (a)</p> <p>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.</p> <p>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 2021, these documents will be available on reasonable notice by application to:</p> <p>(b) <u>Mrs L Clements, Parish Clerk</u> <u>The Parish Offices, c/o MS Electrical, The Square, Mawnan Smith</u> <u>Tel: 01326 251022 email: clerk@mawnan.org.uk</u></p> <p><u>Offices only open Mon, Weds & Thurs between 9am and 2pm :</u> <u>Appointments will need to be made in advance.</u></p> <p>commencing on (c) <u>Monday 28th June 2021</u></p> <p>and ending on (d) <u>Tuesday 10th August 2021</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• 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. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>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:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD sba@pkf-l.com</p> <p>5. This announcement is made by (e) <u>Lisa Clements, Parish Clerk</u></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(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</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

Mawnan Parish Council

Notice of conclusion of audit

Annual Governance & Accountability Return for the year ended 31 March 2021

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

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
1. The audit of accounts for Mawnan Parish Council for the year ended 31 March 2021 has been completed and the accounts have been published.	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.
2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of Mawnan Parish Council on application to:	
(a) <u>Mrs Lisa Clements, Parish Clerk</u> <u>The Parish Offices 90 MS Electrical, The</u> <u>Square, Mawnan smth, TR11 5EP</u>	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR
(b) <u>9am to 2pm Mon, Weds & Thurs</u> <u>please ring to confirm appointment time.</u>	(b) Insert the hours during which inspection rights may be exercised
3. Copies will be provided to any person on payment of <u>£1.00</u> (c) for each copy of the Annual Governance & Accountability Return.	(c) Insert a reasonable sum for copying costs
Announcement made by: (d) <u>Lisa Clements</u>	(d) Insert the name and position of person placing the notice
Date of announcement: (e) <u>Sept 2021.</u>	(e) Insert the date of placing of the notice

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return (AGAR) 2020/21

- 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 2021.
- 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 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- 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 2021**.

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 from last year to this year been published?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Has the bank reconciliation as at 31 March 2021 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

Annual Internal Audit Report 2020/21

MAWNAN PARISH COUNCIL

mawnan.org.uk/council-expenditure

During the financial year ended 31 March 2021, 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 2020/21 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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) 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 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		

NOT USED

O. (For local councils only)	Yes	No	Not applicable
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

19/04/2020

Name of person who carried out the internal audit

S P HUDSON C.P.F.A.

Signature of person who carried out the internal audit

S. P. Hudson

Date

20/04/2021

*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 2020/21

We acknowledge as the members of:

EN Mawnan Parish Council TY

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 2021, 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>responded to matters brought to its attention by internal and external audit.</i>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*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:

24/6/21

and recorded as minute reference:

3398.21

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

Chairman

Paul Sadler

Clerk

Anna Curtis

ENTER PUBLICLY www.mawnan.org.uk WEBPAGE ADDRESS

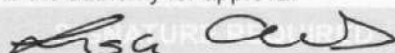
Section 2 – Accounting Statements 2020/21 for

EN Mawnan Parish Council TY

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	100,398	102,009	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	44,470	48,917	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	25,757	35,627	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	14,589	14,150	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	54,027	64,726	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	102,009	107,677	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	102,009	107,677	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	64,209	65,153	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	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 2021 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

24/06/2021

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

24/06/2021

as recorded in minute reference:

3399.21

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



Section 3 – External Auditor Report and Certificate 2020/21

In respect of

MAWNAN PARISH COUNCIL – CO0084

1 Respective responsibilities of the body and the auditor

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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2020/21

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.

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

None

3 External auditor certificate 2020/21

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 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

07/09/2021

* 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)

Explanation of variances – pro forma

Name of smaller authority: Mawnan Parish Council

Please provide full explanations, including numerical values, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2019/20 £	2020/21	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 <i>Precept or Rates and Levies</i>	44470	48917	4447	10%	
Box 3 <i>Total other receipts</i>	25757	35627	9870	38%	£10000 Small Business Rates Relief Grant [for Public Toilets]
Box 4 <i>Staff costs</i>	14589	14150	-439	3%	
Box 5 <i>Loan interest/ capital repayments</i>	0	0	0	0%	
Box 6 <i>All other payments</i>	54027	64728	10699	20%	Overall increase to grants (£4250), Parish Office Rates evaluation (£2261), Insurance increase (£107), Future Office concept costs (£180), MCA lease legal costs (£420), NDP Consultant fees (£743), Less training due to COVID restrictions (£295). Covid related H&S materials (£713), Payment for 3 x rubbish bin contract (£724), Purchase of cycle racks x3 (£461), Works to repair 2nd toilet water leak + usage bill (increase of £607 on previous year) Architects Fees for Smaller Project - woodland (£320); Legal Fees (£735), community trees (£150), Donation to Clean Ocean Sailing for clearance of Anna Maria Creek £5000 (match funding income) Decrease in spend on office supplies (-£299); publication income (-£450); Burial Fees (-£4575) NDP 4 th Grant Instalment (-£548) No footpath leaflet print (publications (-£1671)
Box 9 <i>Total fixed assets & long term</i>	64209	65547	1338	2%	

<i>investments & assets</i>					
Box 10 <i>Total borrowings</i>	0	0	0	0	
Explanation for 'high' reserves	£45010 held as separate grant fund pot for community projects (Solar Grant).				

Mawnan Parish Council

Prepared by: _____

Date: _____

Name and Role (Clerk/RFO etc)

Approved by: _____

Date: _____

Name and Role (RFO/Chair of Finance etc)

A	Bank Reconciliation at 31/03/2021		
	Cash in Hand 01/04/2020		102,009.25
	ADD Receipts 01/04/2020 - 31/03/2021		85,584.39
	SUBTRACT Payments 01/04/2020 - 31/03/2021		79,916.54
	Cash in Hand 31/03/2021 (per Cash Book)		107,677.10
B	Cash in hand per Bank Statements		
	Petty Cash 01/05/2020	0.00	
	95 Day Saver Account - Nationwide 31/03/2021	45,009.83	
	Deposit Account - Lloyds 31/03/2021	57,494.79	
	Current Account - Lloyds 31/03/2021	5,176.71	
			107,681.33
	Less unrepresented payments		4.23
			107,677.10
	Plus unrepresented receipts		0.00
	Adjusted Bank Balance		107,677.10
	A = B Checks out OK		

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

Name of smaller authority: Mawnan Parish Council

County Area (local councils and parish meetings only): Cornwall


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 Monday 28th June 2021

and ending on Tuesday 10th August 2021

(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 2021 (i.e. Thursday 1 July – Wednesday 14 July).

We have suggested the following dates: Monday 14 June – Friday 23 July 2021. The latest possible dates that comply with the statutory requirements are Thursday 1 July – Wednesday 11 August 2021.)

Signed: 

Role: parish clerk

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

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



HUDSON ACCOUNTING LTD.
INTERNAL AUDIT REPORT:
TO THE MEMBERS OF MAWNAN PARISH COUNCIL
YEAR ENDED 31ST MARCH 2021.

ISSUE DATE: 20/04/2021
ISSUED TO: PARISH CLERK

INTRODUCTION:

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope:

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

Approach:

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable we have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' which is applicable to financial years from 1st April 2020.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed. Due to the pandemic much of the work was carried out remotely with information provided electronically or hard copies collected and returned a few days later. Overall coverage has not been materially affected.

GENERAL COMMENTS:

We would like to thank the staff for their assistance and co-operation during the audit.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

It should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

The review undertaken obtained a level of assurance which has allowed us to complete the Internal Audit Report element of the Annual Governance & Accountability Return with no qualifications, thus in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

We have provided a table of audit recommendations that allow for the Council's response which can be used as an ongoing monitoring tool. We would be grateful if, in due course, it is completed and returned to us.

Also attached, as Appendix 1 is a copy of the completed Internal Audit Report required as part of the Annual Governance & Accountability Return.

AUDIT COMMENTARY:

Items in **bold text** within the body of the report represent our findings in respect of the application of controls, text in *italics* represent suggested actions that fall short of being a formal recommendation or do not necessarily pertain to the application of internal controls.

A. Appropriate accounting records have been properly kept throughout the financial year.
Accounts are maintained on SCRIBE accounting software, which is sector specific, they were up to date and appeared free from material error.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Financial Regulations

Financial Regulations were reviewed in October 2020, albeit that no amendments were required.

Purchasing

The Open Spaces contract tender (just) exceeded £25,000 and thus is subject to the Public Contracts Regulations and, if advertised, should have been placed on the Contract Finder website.

Payment

Testing of payments made revealed no issues to report.

VAT

VAT had been accurately recorded.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Insurance

Statutory insurances are in place and the Fidelity Guarantee is adequate at £150K.

Risk Assessment & Internal Controls

Risk Management arrangements were reviewed in January 2021 as was a review of the effectiveness of internal controls.

Cash

An Investment Strategy is yet to be adopted.

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Budget setting

The 2021/22 budget and precept were approved by Full Council in December 2020 following the production of detailed estimates.

The precept was approved (according to the Minutes) before the budget.

For the absolute avoidance of doubt the budget should be approved first in future as the precept must flow, by law, from the setting of a budget.

Budget monitoring

Quarterly budget monitoring has taken place. The budget for 2020/21 was accurately input into the accounting system.

Adequacy of Reserves

General reserves stand at £62,667 equating to 79% of gross expenditure in 2020/2; within generally accepted parameters.

- E. Expected income was fully received, based on correct prices, properly recorded, and promptly banked; and VAT was appropriately accounted for.**

Burials

Burial fees have been accurately applied and entries made in the burial register.

Precept

The precept received is in accord with the records of both the Council and the Principal Authority.

VAT claims

VAT claims have been repaid for the previous year and for the period up to October 2020.

- F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.**

NOT OPERATED.

- 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.**

The Clerk's salary is paid in accordance with Member approvals and the national pay award was accurately implemented.

PAYE and NI provisions have been properly applied and all amounts due to HMRC have been paid.

- H. Asset and investments registers were complete and accurate and properly maintained.**

The asset register has been updated for in year additions and the total value is accurately reflected in the AGAR.

- I. Periodic and year-end bank account reconciliations were properly carried out.**

Monthly bank reconciliations are carried out and reported to Council, they are now published as part of the Minutes.

The year-end reconciliation was found to be accurate.

- 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 appropriate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.**

The accounts were produced on a receipts and payments basis and were in accord with underlying records.

- K. IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt.**

NOT APPLICABLE.

- L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/ webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.**

NOT APPLICABLE.

M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations

The requisite Notice was published, and the correct number of days was allowed.

N. The authority has complied with the publication requirements for 2019/20 AGAR.

The publication requirements were met.

O. Trust funds (including charitable). The council met its responsibilities as trustee.

Charity Commission submissions are up to date.

INTERNAL AUDIT REPORT RESPONSE RECORD – MAWNAN PARISH COUNCIL

FINAL REPORT				
No	Recommendation	Management Response	Timescale/ Responsibility	Follow Up (for auditor use)
1	An Investment Strategy compliant with treasury Guidance should be adopted			

Annual Internal Audit Report 2020/21

MAWNAN PARISH COUNCIL

mawnan.org.uk/council-expenditure

During the financial year ended 31 March 2021, 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 2020/21 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 2019/20, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")</i>			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		

NOT USED

O. (For local councils only)	Yes	No	Not applicable
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

19/04/2022

Name of person who carried out the internal audit

S P HUDSON C.P.F.A.

Signature of person who carried out the internal audit

S. P. Hudson

Date

20/04/2021

*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).