This document explains the reasons for the negative responses on the Parish Council's Annual Governance and Accountability Return and the procedures that have been put in place to ensure that future returns are fully compliant with Law, Regulations and Proper Practices.

Annual Internal Audit Report

A	Appropriate accounting records have been properly kept throughout the financial year	Until September there was no cash book. A cash book was created from the invoices, payments authorised at meetings together with entries passed through the bank account.	Cash book now maintained and updated when payments made and receipts received.
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was properly accounted for	As there was no cash book VAT was not accounted for. Research through the bank account identified no claim made for refund for 3 years.	Itemised cash book maintained VAT to be reclaimed at least annually.
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	No evidence of a risk assessment having been carried out.	Risk assessment carried out prior to the annual internal audit 2022. A full risk assessment will be carried out for all new activities being considered.
D	The precept or rates required resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	No evidence of an itemised budget having been prepared, no monitoring taking place due to lack of cash book	Itemised budget prepared for 2022/23 financial year, quarterly review actual to budget to be undertaken and reported to Council.
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	Lack of evidence	Copies of grant applications and VAT claims to be retained to ensure income received
G	Salaries to employees and allowances to members were paid in accordance with this authority's	HMRC did not have up to date contact details for the Parish Council, no evidence of any	HMRC advised of up to date contact details, payroll completed using HMRC Basic PAYE software which generates returns to HMRC.

	approvals, and PAYE and NI requirements were properly applied	payments being made in respect of PAYE or NI	
H	Asset and investment registers were complete and accurate and properly maintained	No asset register, previously advised under internal audit but not prepared	Asset register complied from Parish Council records.
I	Periodic bank account reconciliations were properly carried out during the year	Not carried out	Reconciliation to be undertaken at Council meetings.
J	Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records	No cash book until September	Accounting statements prepared on the correct basis, receipts and payments, an adequate audit trail was identified for all payments.
K	If the authority certified itself as exempt from a limited assurance review in 2020/21, it met exemption criteria and correctly declared itself exempt	The correct exemption certificate was prepared but not minuted, not all relevant information was provided	Instructions contained in the “Joint panel on Accountability and Governance Practitioners’ Guide to be followed.
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	Not all of the requisite information was prepared and therefore not published in accordance with requirements	All relevant documents prepared and verified by the Independent Internal Auditor prior to publication.
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	The notice for the period for the exercise of public rights was incorrectly completed, the period set was not 30 working days and there were no contact details filled in.	Notice to be published in accordance with regulations.
N	The authority has complied with the publication requirements for the 2020/21 AGAR	The analysis of variances and bank reconciliation statement for the year ended 31	All documents required for publication for the year ended 31 March 2022 have been

		March 2021 were not completed and therefore not published as required.	supplied to and verified by the Internal Auditor.

Section 2 Accounting Statements.

2	Precept or Rates and levies	This item has been restated as the figure quoted for the year ending 31 March 2021 includes Council Tax Support Grant and Concurrent Functions Grant which are paid by the Borough Council on the same invoice	Grants are excluded from the figure as they are dealt with under other receipts.
3	Total Other receipts	This figure has been increased by the same amount as the reduction in Box 2 as items incorrectly dealt with	All receipts except precept make up this total.
4	Staff costs	The figure has been restated as staff expenses were included, this figure should only relate to gross salary, employers NI and employers pension contributions.	Staff expenses to be dealt with separately from salary
6	All other payments	The figure has been restated at a higher figure to correlate with the reduction in staff costs in respect of expenses.	Staff expenses to be dealt with separately.
9	Total Fixed assets	Figure has been restated as a number of acquisitions over a number of years had not been added to the asset register.	Asset register to be reviewed at least annually by Council and all acquisitions and disposals to be dealt with immediately.

Annual Governance Statement

1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements	No itemised budget was prepared to monitor expenditure therefore effective financial management was not possible	A budget for 2022/23 has been prepared and will be reviewed on a quarterly basis.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness	There was no cash book to monitor progress against budget a clear breach of the Council's Financial Regulations	Regular bank reconciliation statements will be prepared and verified at Council meetings
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 effect on the ability of this authority to conduct its business or manage its finances.	The minutes for 2021 indicated that the Council had satisfied the criteria to enable the General Power of Competence to be complied with. This was incorrect as there insufficient elected councillors and the Clerk was not CiLCA qualified.	All expenditure will be verified to the appropriate law or regulation before payment is made.
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	The notice for the exercise of electors' rights was incorrectly completed with lack of contact details and a shortened period being submitted.	The instructions contained within the Annual Governance and Accountability Return will be followed and the dates set for the Public Rights will be set and minuted by Council
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.	A risk assessment was not carried out.	A full risk assessment was carried out prior to the end of the financial year, any new or proposed activities will be subjected to a full risk assessment before any commitment is made.

6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Until September there was no cash book therefore bank reconciliations and monitoring of budget did not occur.	Regular bank reconciliations and a quarterly monitoring of performance against budget will be undertaken
7	We took appropriate action on all matters raised in reports from internal and external audit	Internal audit highlighted the lack of asset register which was not actioned	Asset register has been brought up to date and all aspects of the 2022 Internal Audit have been considered and procedures put in place to ensure compliance going forward
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	An incomplete Annual Governance and Accountability Return was submitted in 2021outside of the statutory deadline.	Compliance with law, regulation and proper practices will be considered on all Parish Council activities going forward with full risk assessments being undertaken.