

# Annual Internal Audit Report 2021/22

## Selling Parish Council

www.sellingparishcouncil.gov.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.

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 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")			✓
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).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

27/04/2022

Name of person who carried out the internal audit

David J Buckettt

Signature of person who carried out the internal audit



Date

27/04/2022

\*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).

## Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

Selling 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.	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

\*For any statement to which the response is 'no', an explanation must be published

This Annual Governance Statement was approved at a meeting of the authority on:

19/05/2022

and recorded as minute reference:

05.22.07e

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

Chairman



Clerk



### Other information required by the Transparency Code (not part of the Annual Governance Statement)

The authority website/webpage is up to date and the information required by the Transparency Code has been published.

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

[www.sellingparishcouncil.gov.uk](http://www.sellingparishcouncil.gov.uk)

## Section 2 – Accounting Statements 2021/22 for

### Selling Parish Council

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	20,263	19,959	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	13,000	13,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	13,778	3,662	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	7,066	7,365	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	Nil	Nil	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	20,016	8,076	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	19,959	21,180	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	19,959	21,180	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>	
9. Total fixed assets plus long term investments and assets	8,047	8,883	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	Nil	Nil	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

*W. Gregory*

Date

18.05.2022

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

19/05/2022

as recorded in minute reference:

05.22.07F

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

*H. [Signature]*

**Explanation of variances – pro forma**

SELLING PARISH COUNCIL

Name of smaller authority:  
County Area (local councils and parish/town/village etc):

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	20,283	19,959			NO	Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	13,000	13,000	0	0.00%	NO		
3 Total Other Receipts	13,778	3,662	-10,116	73.42%	YES		In 2020-21 S106 monies was received for childrens play equipment to the value of £11,963.18. As a result in 2021-22 the VAT reclaim was higher by £1,759
4 Staff Costs	7,666	7,365	299	4.23%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	20,016	8,076	-11,940	59.65%	YES		S106 monies spent to the value of £10,555 in 2020-21 and two street lights were purchased at £2,820. In 2021/22 £1,324 was spent on a defibrillator
7 Balances Carried Forward	19,959	21,180			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	19,959	21,180			NO	VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and As	8,047	8,883	836	10.39%	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

Assets Register 2022-23

Number	Item	Original cost	Replacement cost	Date of Purchase/Disp
1	Notice board near the White Lion	£485	£600	
1	Notice board at The Sondes	£485	£600	
1	Glasden Bench	£472	£600	
1	Bench with plaque	£400	£600	
2	5m Hockey Stick column c/w SL8 LED lanterns, sited at Selling Court and junction of Fox Lane	£2,350	£4,000	21/05/2020
3	Street lights	£2,850	£5,000	
2	Defibrillator and cabinet (donated)	£0.02	£2,668	20/05/2021
1	Defibrillator and cabinet at The Sondes	£1,334	£1,334	01/04/2021
	<b><u>Total</u></b>	<b><u>£8,376</u></b>	<b><u>£15,402</u></b>	
	<b>Inventory of office contents</b>			
1	ACAR Aspire 3 i3 4GB 128GB FHD Laptop Computer	£399	£400	04/04/2019
1	HP Officejet 5230 printer includes 3-years care plan	£108	£120	04/04/2019
	<b><u>Total</u></b>	<b><u>£507</u></b>	<b><u>£520</u></b>	
	<b><u>Total value of all assets</u></b>	<b><u>£8,883</u></b>	<b><u>£15,922</u></b>	

Smaller authority name:

## SELLING PARISH COUNCIL

### NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN (EXEMPT AUTHORITY)

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

Local Audit and Accountability Act 2014 Sections 25, 26 and 27  
The Accounts and Audit Regulations 2015 (SI 2015/234)

#### NOTICE

1. Date of announcement 19<sup>th</sup> May 2022

2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review.

Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it 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 2022, these documents will be available on reasonable notice by application to:

Wendy Gregory – Clerk and Responsible Financial Officer  
Email: [clerk@sellingparishcouncil.gov.uk](mailto:clerk@sellingparishcouncil.gov.uk)  
Telephone: 07790903442  
Post: 19 New Creek Road, Faversham ME13 7BU

commencing on **Monday 13 June 2022**

and ending on **Friday 22 July 2022**

3. Local government electors and their representatives also have:

- 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.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

4. The smaller authority's AGAR is only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:

PKF Littlejohn LLP (Ref: SBA Team)  
15 Westferry Circus  
Canary Wharf  
London E14 4HD  
([sba@pkf-l.com](mailto:sba@pkf-l.com))

5. This announcement is made by: Wendy Gregory, Responsible Financial Officer