

Annual Internal Audit Report 2022/23

Coningsby Town Council

coningsby.parish.lincolnshire.gov.uk AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")		CJ	✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		

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

18/04/2023

Name of person who carried out the internal audit

MRS C. E. JONES LAUDITOR

Signature of person who carried out the internal audit

C. Jones

SIGNATURE REQUIRED

Date

18/04/2023.

*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 2022/23

We acknowledge as the members of:

Coningsby Town 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 2023, that:

	Agreed		Yes	No*	*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:

27/04/2023

and recorded as minute reference:

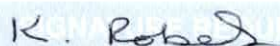
6.2 270423

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

Chairman



Clerk



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Section 2 – Accounting Statements 2022/23 for

Coningsby Town Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	71,637	103,139	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. 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	100,000	110,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	31,765	71,541	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	40,570 40,570 40,323	43,570	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. <i>R.F.O. amended 14/7/23 Chairman</i>
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	59,940	110,508	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	103,139	130,602	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	103,139	130,602	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	432,571	453,571	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).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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

K. Roberts

Date

04/04/2023

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

27/04/2023

as recorded in minute reference:

6.3 270423

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

[Signature] REQUIRED

Section 3 - External Auditor's Report and Certificate 2022/23

In respect of

Coningsby Town Council – LI0085

1 Respective responsibilities of the auditor and the authority

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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2022/23

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:

The AGAR was not accurately completed before submission for review. The AGAR has been amended.

3 External auditor certificate 2022/23

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 2023.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

03/08/2023

Coningsby Town Council

Notice of conclusion of audit

Annual Governance & Accountability Return for the year ended 31 March 2023

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

Accounts and Audit Regulations 2015 (SI 2015/234)

1. The audit of accounts for Coningsby Town Council for the year ended 31 March 2023 has been completed and the accounts have been published. 2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of Coningsby Town Council on application to: (a) <u>KATHY ROBERTS - Town Office, SILVER STREET, CONINGSBY, LN4 4SG</u> <u>01526 343523 - by Appointment</u> (b) <u>9am-3pm-Monday, Wednesday and FRIDAY</u> 3. Copies will be provided to any person on payment of £2.00(c) for each copy of the Annual Governance & Accountability Return. Announcement made by: (d) <u>KATHY ROBERTS - CLERK</u> Date of announcement: (e) <u>07/08/2023</u>	Notes 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. (a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR (b) Insert the hours during which inspection rights may be exercised (c) Insert a reasonable sum for copying costs (d) Insert the name and position of person placing the notice (e) Insert the date of placing of the notice
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Explanation of variances – pro forma

Name of smaller authority: **Coningsby Town Council**
County area (local councils and Lincolnshire)

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).

	2021/22 £	2022/23 £	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	71,637	103,139				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	100,000	110,000	10,000	10.00%	NO		
3 Total Other Receipts	31,765	71,541	39,776	125.22%	YES		precept error £15,102, Burials increase £10,800 grants 12,428 total = £36,330 4.1%
4 Staff Costs	40,323	43,570	3,247	8.05%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	59,840	110,508	50,568	84.36%	YES		Spend of grants/plus council input £27,870 precept refund £15,102 total = £42,972 12.67%
7 Balances Carried Forward	103,139	130,602			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	103,139	130,602				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	432,571	453,571	21,000	4.85%	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

Bank reconciliation – 2022 2023

This reconciliation should include all bank and building society accounts, including short term investment accounts. It must agree to Box 8 in the column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis

Name of smaller authority: Coningsby Town Council

County area (local councils and parish meetings only): Lincolnshire

Financial year ending 31 March 2023

Prepared by (Name and Role): Kathleen Roberts

Date: 03/04/2023

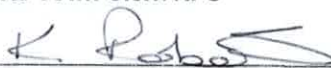
	£	£
Balance per bank statements as at 31/3/xx:		
Current Account	44,120.21	
Savings account Reserves cemetery land	70,449.10	
MUGA Account	14,238.20	
Show account	1,794.71	
		130,602.22
Petty cash float (if applicable)		-
Less: any un-presented cheques as at 31/3/xx (normally only current account)		
		0.00
Add: any un-banked cash as at 31/3/xx e.g Allotment rents banked 30/3/xx (but not credited until 2 April)		-
Net balances as at 31/3/xx (Box 8)		130,602.22

Smaller authority name: **Coningsby Town Council**

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

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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

NOTICE	NOTES
1. Date of announcement (a) 31st May 2023 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. 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 2023, these documents will be available on reasonable notice by application to: (b) Kathleen Roberts, Town Clerk RFO Town Office, Coningsby, Lincoln, LN4 4SG - 01526 343523 commencing on (c) <u>Monday 5 June 2023</u> and ending on (d) <u>Friday 14 July 2023</u> 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 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: PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-l.com) 5. This announcement is made by (e) K Roberts Town Clerk RFO 	(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below (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 (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 (d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July. (e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority



CJ BOOK-KEEPING SERVICES

18/04/2023

Councillor Amanda Bowen
Town Council Chairman
13 Cheviot Close
Coningsby
Lincolnshire

Dear Councillor Bowen,

Re: Year End Internal Audit Report for Coningsby Town Council

The following Internal Audit was carried out on the adequacy of systems of control for the period 01/04/2022 to 31/03/2023.

Presented below are the findings and recommendations resulting from the work carried-out with support information presented in the attached appendices.

The following recommendations/comments have been made:-

The Accounts were all found to be in order and supporting paperwork is in place and well referenced.

There is a separate Asset Register which is reviewed yearly. The level of insurance is appropriate but should be reviewed in May 2023 due to additions.

Good budgetary procedures are in place. The precept was agreed in full Council and the precept decision and amount has been clearly minuted.

Payroll Controls are in place, payroll system HMRC/ Basic PAYE Tool and is operated on a monthly basis.

All council and committee meeting minutes are up to date, properly reflect and record resolutions by the council and all payments are listed.

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CJ BOOK-KEEPING SERVICES

- 2 -

The Council have good internal financial controls in place. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

Risk assessments were reviewed in July including Standing Orders and Financial Regulations to ensure they are up to date and reflect the latest legislation.

Insurance was reviewed and updated in May 2022.

Powers to spend are now included in all minutes this is excellent practice and provides transparency at a higher level.

Finally, it was considered that procedures were in place which facilitated the timely, accurate and safe execution of the council's business.

Yours sincerely,

A handwritten signature in black ink that reads 'Carole Jones'.

Carole Jones
CJ Book-keeping Services

Appendix 1 - check list

Appendix 2-4 payment schedule check