

BOUGHTON UNDER BLEAN PARISH COUNCIL

INTERNAL AUDIT REPORT 2021-22

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2021-22 and have been able to complete the Annual Internal Audit Report (AIAR) for the 2021-22 Annual Return.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Parish Council's internal control procedures.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Parish Council's approach to the management of risks to be sound. As a result of my audit and my discussions with your Clerk I was able to answer 'YES' to all the relevant questions contained in the AGAR for 2021-22.

I would like to take this opportunity to thank your Clerk for the additional assistance given to me in the conduct of the audit that took place on 8 April 2022.

PREVIOUS AUDITS:

External auditor 2020-21:

The external audit certificate for 2020-21 was issued without qualification or comment. It was reported to Council on 9 September 2020.

Internal auditor 2020-21:

Last year I expressed concern at the number of extraordinary meetings – ten in one year. I have noted that there were two during the 2021-22 financial year.

FINDINGS THIS AUDIT:

I carried out sufficient work to enable me to complete the Annual Internal Audit Report. This included review and testing of transactions from the cashbook, testing of the end of year bank reconciliation and review of the Council's minutes for compliance with legal requirements and that items in the accounts are consistent with council decisions.

I found all the financial records to be accurate and up to date. There were no unexplained entries in the bank reconciliations. All tests were completed satisfactorily.

At the meeting held at short notice on 16 November 2021 the Council agreed it was opposed to the Local Plan proposals and delegated the task of formulating its response to one named councillor along with two other named councillors. Members should note that parish councils cannot lawfully delegate any matter to a single councillor or to any group of councillors not formally constituted as a committee or sub-committee (refer s101 Local Government Act 1972). As the Council and any of its committees or sub committees can act only when they meet, decisions and actions need where possible to be taken in good time. Where this is not possible the only delegation allowed is to another authority or to an officer i.e. the Clerk.

The Council adopted a budget for 2022-23 with net spending set at £73,875 and the precept at £65,000 at its meeting on 4 January 2022. When preparing and approving its budget the Council must comply with s49A Local Government Finance Act 1992 which mandates certain calculations ending with a figure for the Council's council tax requirement (subsection 4). This then becomes the precept (refer s41(2)(a)). In practice the precept figure must appear in the budget and if a different precept is wanted then the budget must be amended and readopted.

I have nothing further to report

Lionel Robbins
Independent Internal Auditor

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18 April 2022

Extracts from Local Government Finance Act 1992

49A Calculation of council tax requirement by authorities in England

(1) In relation to each financial year a local precepting authority in England must make the calculations required by this section.

(2) The authority must calculate the aggregate of—

(a) the expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year in accordance with proper practices,

(b) such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices,

(c) the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure, and

(d) such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.

(3) The authority must calculate the aggregate of—

(a) the income which it estimates will accrue to it in the year and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issued by it, and

(b) the amount of the financial reserves which the authority estimates that it will use in order to provide for the items mentioned in paragraphs (a) and (b) of subsection (2) above.

(4) If the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year.

(5) For the purposes of subsection (2)(c) above an authority's estimated future expenditure is—

(a) that which the authority estimates it will incur in the financial year following the year in question, will charge to a revenue account for the year in accordance with proper practices and will have to defray in the year before the following sums are sufficiently available, namely, sums—

(i) which will be payable to it for the year, and

(ii) in respect of which amounts will be credited to a revenue account for the year in accordance with proper practices, and

(b) that which the authority estimates it will incur in the financial year referred to in paragraph (a) above or any subsequent financial year in performing its functions and which will be charged to a revenue account for that or any other year in accordance with proper practices.

(6) This section is subject to section 52ZV below (which requires a direction to a local precepting authority that the referendum provisions in Chapter 4ZA are not to apply to the authority for a financial year to state the amount of the authority's council tax requirement for the year).

41 Issue of precepts by local precepting authorities.

(1) For each financial year a local precepting authority may issue a precept in accordance with this section.

(2) A precept issued to a billing authority under this section must state, as the amount payable by that authority for the year, the amount which has been calculated (or last calculated)

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(a) in the case of a precepting authority in England, by that authority under section 49A below as its council tax requirement for the year, and