

Annual Internal Audit Report 2020/21

Southbourne Parish Council

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).	✓		
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

01/06/2021

Name of person who carried out the internal audit

Emma Jordan

Signature of person who carried out the internal audit



Date

02/06/2021

*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:

Southbourne 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 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.	✓		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:

8 JUNE 2021

and recorded as minute reference:

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

Chairman

Nardyn Stocks

Clerk

Denise

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Section 2 – Accounting Statements 2020/21 for

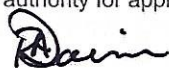
Southbourne Parish Council

Restated

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	619,118	808,608	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	155,775	164,965	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	220,094	90,101	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	48,874	51,205	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	137,505	301,868	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	808,608	710,601	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	802,608	682,196	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	282,055	295,076	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		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

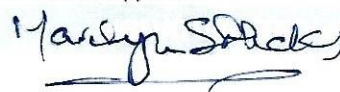
2 June 2021

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

8 June 2021

as recorded in minute reference:

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



8 June 2021

03/06/2021

Southbourne Parish Council

12:36

Balance Sheet as at 31st March 2021

31st March 2020

31st March 2021

Current Assets

306	Debtors	0
0	Debtors (JBC)	3,550
11,507	VAT Control	59,719
5,990	VAT (JBC)	8,319
365	Prepayments	0
3,628	Clerk to JBC Salary Debtor	0
7,350	Barclays Community Account	6,214
727,294	Barclays Business Active Saver	633,656
0	Joint Burial Committee	42,136
137	Petty Cash (JBC)	190
67,828	Cash Suspense account	0

824,405

753,785

824,405 Total Assets

753,785

Current Liabilities

1,450	Creditors	7,237
2,481	PAYE Creditor	2,334
3,061	Wages Creditor	2,552
238	Pension Creditor	222
3,071	Accruals	2,410
3,597	Accruals (JBC)	16,313
0	Creditors (JBC)	256
1,900	Return of Grants (NHP)	0
0	Receipts in advance	1,325
0	WPC Balance	10,535

15,797

43,184

808,608 Total Assets Less Current Liabilities

710,601

Represented By

139,451	General Reserves	175,206
71,891	EMR Op Watershed Lumley Road	71,891
8,492	EMR Op Watershed Nutbourne	8,492
19,250	EMR Street Lighting	24,250
13,000	EMR Play Equipment	0
7,992	EMR Neighbourhood Plan	0
477,177	EMR CIL	415,421
0	EMR Elections	1,500

Balance Sheet as at 31st March 2021

31st March 2020

31st March 2021

764 EMR NHB 2017/18	764
6,948 EMR NHB 2018/19	0
15,226 EMR NHB 2019/20	15,226
0 EMR NHB 2020/21	(23,058)
865 War Memorial Fund	865
46,833 EMR Cemetery Development	19,044
720 EMR Memorial Stability Test	1,000
808,608	710,601

The above statement represents fairly the financial position of the authority as at 31st March 2021 and reflects its Income and Expenditure during the year.

Signed :
Chairman

Marilyn Sticks

Date : 8 June 2021

Signed :
Responsible
Financial
Officer

R. Davis

Date : 8 June 2021

Southbourne Parish Council

Income and Expenditure Account for Year Ended 31st March 2021

31st March 2020		31st March 2021
	Operating Income	
144,302	Administration	176,123
306	Council Activities	0
7,100	Neighbourhood Plan	13,350
17,226	Grants	0
171,834	CIL	0
35,102	Income (JBC)	65,593
375,869	Total Income	255,066
	Running Costs	
76,132	Administration	88,430
7,520	Street Lighting	11,630
8,774	Recreation Ground	34,890
4,932	Council Activities	5,189
2,722	Allotments	1,740
19,544	Neighbourhood Plan	39,024
7,990	Grants	5,000
7,897	CIL	61,756
9,418	Administration (JBC)	9,690
2,112	Cemetery Lodge (JBC)	2,673
15,103	Cemetery (JBC)	12,080
24,235	Capital Projects (JBC)	80,971
186,379	Total Expenditure	353,073
	General Fund Analysis	
143,352	Opening Balance	139,451
375,869	Plus : Income for Year	255,066
519,221		394,517
186,379	Less : Expenditure for Year	353,073
332,843		41,444
193,392	Transfers TO / FROM Reserves	(133,762)
139,451	Closing Balance	175,206

Margie Stokes

*Revised
8 June 2021*