

## Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

Crothorne 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.	✓		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:

09/05/2022

and recorded as minute reference:

2022/11 Agenda item 11 (C)

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

<https://crothorneparishcouncil.co.uk> AVAILABLE WEBSITE/WEBPAGE ADDRESS



## Section 2 – Accounting Statements 2021/22 for

Crothorne Parish Council

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
			<i>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.</i>	
1. Balances brought forward	15,130	34,657	<i>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.</i>	
2. (+) Precept or Rates and Levies	7,100	7,425	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>	
3. (+) Total other receipts	34,217	20,120	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>	
4. (-) Staff costs	4,165	4,374	<i>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>	
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>	
6. (-) All other payments	17,625	27,606	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>	
7. (=) Balances carried forward	34,657	30,022	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>	
8. Total value of cash and short term investments	34,657	30,022	<i>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.</i>	
9. Total fixed assets plus long term investments and assets	18,323	18,323	<i>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.</i>	
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			✓	<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

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. TAPP*  
SIGNED REQUIRED

Date

*20/04/2022*

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

*09/05/2022*

as recorded in minute reference:

*2022/11 Agenda Item Finance 11 (d)*

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

*[Signature]*  
SIGNATURE REQUIRED



# Annual Internal Audit Report 2021/22

Crothorne Parish Council

<https://crothorneparishcouncil.co.uk> AVAILABLE WEBSITE/WEBPAGE ADDRESS

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.	YES		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	YES		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	YES		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	YES		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	YES		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/C
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.	YES		
H. Asset and investments registers were complete and accurate and properly maintained.	YES		
I. Periodic bank account reconciliations were properly carried out during the year.	YES		
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.	YES		
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")	YES		
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	YES		
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).	YES		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	YES		
<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

02/05/2022

Name of person who carried out the internal audit

ROBERT BAILLY FCA AUDITOR

Signature of person who carried out the internal audit



Date

02/05/2022

\*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).



CROPTHORNE PARISH COUNCIL

FIXED ASSET SCHEDULE      31ST MARCH 2022

ITEM	VALUE £
Baldwins Bank	1000
2 x defibrillators & housing units	1898
Bus shelter	676
Mobile VAS sign	3294
2 x Fixed Solar VAS signs	8010
Village Speed Gates	1245
3 x dog waste bins	1000
Notice Board	No Value
2 x bench seating	1200
Assets Total	<u>£18,323</u>

## Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It must agree to the 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 reconciling basis. Please complete the highlighted boxes, remembering that un-presented cheques should be entered as negative figures.

Name of smaller authority:

County area (local councils and parish meetings only):

### Financial year ending 31 March 2022

Prepared by (Name and Role):

Date:

<b>Balance per bank statements as at 31/3/22:</b>	£	£
Business Account	<input type="text" value="25416.88"/>	
Playground Account	<input type="text" value="5022.81"/>	<input type="text" value="30439.69"/>

Petty cash float (if applicable)

Less: any un-presented cheques as at 31/3/2022 (enter these as negative numbers)

Cheque 1086	<input type="text" value="-37.04"/>
Cheque 1087	<input type="text" value="-72.20"/>
Cheque 1088	<input type="text" value="-108.00"/>
	<hr/>

Add: any un-banked cash as at 31/3/2022

**Net balances as at 31/3/2022 (Box 8)**   

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**30222.45**

**CROPTHORNE PARISH COUNCIL**

**RISK REVIEW ASSESSMENT APRIL 2022**

<b><u>ITEM</u></b>	<b><u>FREQUENCY</u></b>	<b><u>LAST REVIEWED</u></b>	<b><u>COMMENTS</u></b>
<b>Insurance</b>			
Public/Employers Liability	Annual	May 2021	
Money/Fidelity Guarantee	Annual	May 2021	
Personal Accident	Annual	May 2021	
Assets as per Asset Register	Annual	May 2021	
Lengthsmans Insurance	Annual	February 2021	(Lengthsmans own arrangement)
<b>Safety Inspections :</b>			
Trees on Baldwins Bank		March 2021	
<b>Financial Matters :</b>			
Banking Arrangements	Annual		
VAT Return submitted	Annual	April 2022	
Budget Agreed and Monitored	½ yearly	January 2022	
Precept Requested	Annual	January 2022	
Payments Approval Procedure		April 2020	Any 2 councillors
Review of Bank Reconciliations	Monthly	April 2022	Every month
Review of Clerks Salary	Annual	January 2022	
Chairmans Allowance	Annual	May 2021	Not applicable at present
Internal Audit	Annual	August 2021	
External Audit	Annual	April 2022	
Internal Check of Financial Records	½ yearly		
<b>Record Keeping :</b>			
Minutes properly numbered	On-going		
Asset Register updated	On-going	April 2022	

Financial Regulations  
Standing Orders

Annual  
Annual

January 2020  
January 2020

**Members Responsibilities :**  
New Code of Conduct adopted  
Register of Interests  
Register of Gift/Hospitality

On-going  
On-going  
On-going

January 2020

## Explanation of variances +A1:N26- pro forma

Name of smaller authority: **Croppthorne Parish Council**

Country area (local councils and parish meetings only):

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	15,130	34,657					
2 Precept or Rates and Levies	7,100	7,425	325	4.58%	NO		
3 Total Other Receipts	34,217	20,120	-14,097	-41.20%	YES		£13875
4 Staff Costs	4,165	4,374	209	5.02%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	17,625	27,606	9,981	56.63%	YES		2021/22 Payments: Sheppey Barrier / footpath £12,549 (\$106)
7 Balances Carried Forward	34,657	30,222			YES	VARIANCE EXPLANATION NOT REQUIRED TO WHY CARRY FORWARD RESERVES ARE	
8 Total Cash and Short Term Investments	34,657	30,222				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	18,323	18,323	0	0.00%	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



### Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
<b>Earmarked reserves:</b>			
Elections	2000		
Legal Reserve	5000		
General Maintenance	1000		
Tree / Baldwins Bank Mtce	2000		
CIL Fund	8223.6		
Corran Dean (NHB)	7110.68		
		<u>25334.28</u>	
<b>General reserve</b>	4888.17	<u>4888.17</u>	
<b>Total reserves (must agree to Box 7)</b>			<u><u>30222.45</u></u>