

## Explanation of variances

Name of smaller authority: **Litchborough PC**  
County area (local council) and **Northants**

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?	Explanation
1 Balances Brought Forward	9,342	15,940				
2 Precept or Rates and Levies	10,000	10,000	0	0.00%	NO	
3 Total Other Receipts	5,073	9,007	3,934	77.55%	YES	Explanation of % variance from PY opening balance not required - Balance brought forward agrees
4 Staff Costs	688	2,280	1,592	228.65%	YES	youclub down £500 and further grant from SNC for £1,600 not received in 2021-2.
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO	No clerk employed between Mar 2020 and Dec 2020
6 All Other Payments	7,777	6,609	-1,168	15.02%	YES	for £40, planters for £50, audit fees paid for £240 and grant to play group for £200. Total £987
7 Balances Carried Forward	15,940	26,058				
8 Total Cash and Short Term Investments	15,940	26,058				
9 Total Fixed Assets plus Other Long Term Investments and	23,920	23,920	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

VARIANCE EXPLANATION NOT REQUIRED  
EXPLANATION REQUIRED ON RESERVES TAB AS  
TO WHY CARRY FORWARD RESERVES ARE  
GREATER THAN TWICE INCOME FROM LOCAL  
TAXATION/LEVIES

VARIANCE EXPLANATION NOT REQUIRED

## Bank reconciliation

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

Name of smaller authority: Litchborough Parish Council

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

### Financial year ending 31 March 2022

Prepared by (Name and Role): Vivien Hartley, Clerk and Responsible Financial Officer

Date: 5.5.22

	£	£
<b>Balance per bank statements as at 31/3/22:</b>		
Current Account	£ 26,157.08	
Cambridge Building Soc	£ 1,013.84	
		27,170.9
Petty cash float (if applicable)		-
Less: any unpresented cheques as at 31/3/22 (enter these as negative numbers)		
Chq 1013	(400.00)	
Chq 1014	(561.60)	
Chq 998	(151.20)	
		(1,112.80)
Add: any un-banked cash as at 31/3/22		-
		#REF!
<b>Net balances as at 31/3/22 (Box 8)</b>		<b>26,058.1</b>

## Northants CALCISA

### End of year Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Litchborough		
Name of Internal Auditor:	Dianne Isaacs	Date of report:	13/05/22
Year ending:	31/03/22	Date audit carried out:	04/05/22

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.*

**The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.**

Clerk

Vivien

*Hartley is the appointed Clerk and RFO to the Council Chairman to the Council:- Cllr Tim Sykes was elected Chairman of Litchborough Parish Council at the Annual meeting in May 2021 Cllr David Aked-Walker was elected Vice Chairman.*

#### To the Chairman of the Council:

##### External audit PKF 2020/21

The Councils income /expenditure was less than £25,000 for the 2020/21 financial year and the Council declared they were exempt from a limited insurance review. The Clerk completed Part 2 AGAR and published the relevant documents on the Council's website

#### Interim 16.02.2022 Internal audit

##### Evidence of Internal control

##### Review of effectiveness

Regulation 6 of the Accounts and Audit regulations 2015 requires the Council to conduct each financial year a review of the effectiveness of their system of Internal control.

**The Council is in the process of reviewing the effectiveness of their Internal control system.**

**Recommendation:- It is essential that the Council has proper arrangements for safeguarding their resources.**

#### Parish Council Assets

There were no additional assets purchased to 31.03.2022

**Total assets recorded in Section 2 (9) - £23920**

#### Insurance Cover

The Council secured competitive insurance from Came and Co at a cost of **£ 368.28**

Fidelity Insurance is set at **£150,000**

#### Minutes of Meetings

I checked the minutes of Council meetings to 31.03.2022 and there were no unusual activities that came to my attention.

#### **Due Process**

##### **Financial regulations and Standing Orders**

The Council adopted their Financial regulations and Standing Orders at the May Annual meeting of the Council.

##### **Code of Conduct**

The Council has adopted an up to date Code of Conduct.

##### **Annual risk assessment**

The Council has reviewed their arrangements to manage identified risks in May 2021 and has a Risk assessment document in place to achieve their objectives.

#### **GDPR**

The Council has appointed a D.P.O through Ncalc and adopted all relevant Data Protection policies.

The Clerk has registered with I.C.O and paid the annual fee of £35.00 in November 2021

#### **Precept**

The Council has agreed a Precept of **£10,000** to support its 2021/22 budget and recorded correctly in the Receipts and Payments account.

#### **Staff costs**

The Clerk Vivien Hartley is the sole employee to the Council.

The Clerk is employed for 16hours a month and her salary has been agreed with Council approval and in the Council's minutes.

**Total staff costs £2280**

#### **V.A.T**

V.A.T **£ 428.78** received from HMRC is recorded in the Receipts ledger

#### **Accounts Ledger**

The accounts are prepared on the correct accounting procedure – Receipts and Payment basis.

An audit trial was carried out on several Receipts and Payments entries in the Accounts ledger, the Minutes of the Council and the Bank statements.

**Income – £ 6,351.58 Cil Payment.**

#### **Bank accounts**

Cllr Sykes and Cllr Aked-Walker are the cheque signatories for the Council.

The Council are in the process of changing to On- line banking.

There were no unexplained balancing entries from the accounts to the Council 's bank statements at 31.03.2022

**Nat West £ 26157.07**

**Camb building society £ 1013.84**

**Less outstanding cheques £ (1112.80)**

**Total balance at 31.03 .22 £ 26,058.11 Recorded correctly in Agar Section 2 ( 7) (8)**

#### **Recommendation**

**It is important the Clerk has access to Bank statements on a regular basis and particularly at year end. Bank reconcilliation is a key tool for management of the Council's finances .**

#### **Publication requirements**

The Council must approve Section 1 of the AGAR before Section 2 and both must be minuted and published on the Council's website before 1<sup>st</sup> July 2022.

Dianne Isaacs – Internal auditor Ncalc

Email:- [di.isaacs01@gmail.com](mailto:di.isaacs01@gmail.com)

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The figures submitted in the Annual Governance and Accountability return 2021/22

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	9342	<b>15940</b>
2. Annual precept	10000	10000
3. Total other receipts	5073	9007
4. Staff costs	698	2280
5. Loan interest/capital repayments	-	-
6. Total other payments	7777	6609
7. Balances carried forward	<b>15940</b>	<b>26058</b>
8. Total cash and investments	15940	<b>26058</b>
9. Total fixed assets and long term assets	23920	23920
10. Total borrowings	-	

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2020.pdf>