

REPORT TO PICKMERE PARISH COUNCIL

7th June 2022

AGENDA ITEM 7.1 – APPROVAL OF ANNUAL GOVERNANCE PROVISIONS and PROCEDURES FOR AUDIT

1. INTRODUCTION

1.1 As is normal at this time of year, Council must consider the acceptability of the annual financial Governance Provisions under which the Council operates, and provided it is so satisfied, to consider the annual accounts and the procedures for audit.

2. THE AUDIT PROCESS

2.1 The Council's financial procedures in relation to the accounts for 2021-22 have been considered and accepted by the Council's internal auditor, as is required, and she has signed the appropriate confirmation. The Council's Accounting Statement has been prepared and is appended to this report. It indicates that total receipts for 2021-22 were £30599.02 and total payments £28219.82.

2.2 The categories that have changed significantly compared to 2020-21 were the Total receipts, which decreased by 61% compared to the previous year, and the 'Total other payments' category (i.e. payments less staff costs), which also coincidentally increased by 61%. These require specific explanations, as follows:

- There were large unforeseen receipts in 2020-21 – primarily Community Infrastructure Levy (CIL) receipts of £9052 plus Covid Business Grants receipts of £32741. There were fewer such unforeseen receipts in 2021-22 – only CIL receipt £6416.08 plus Central Government Neighbourhood Plan grant received £6279.00.
- The increase in expenditure in 2021-22 relates to expenditure on infrastructure items in the parish funded by the unforeseen receipts of 2020-21, e.g. replacement parish council noticeboards (50% balance payment - £1448.30), new signboards at the parish council's open space (£1425.00), new Pavilion doors (750.00), refurbishment of lakeside footpath (£1730.00), renovation of Village Hall noticeboard (£795.00), hatching of no parking area to prevent obstruction (£540.00), installation of bollards at council-owned parking spaces (£500.00), unanticipated external audit fees (£300.00), and expenditure on the Neighbourhood Plan (£4090.47).

2.3 The Council's financial reserves remain substantial. Your Council has already recognised the unpredicted and unexpected receipt of these additional revenues and has already made timely decisions to earmark approximately 78% of them at 31st March 2022 (£68,169) for a range of potential expenditures, including the enhancement of property assets (£35,000), the refurbishment and maintenance of the Play Area (£11,500), building repairs (£5000), etc.

2.4 Smaller authorities, such as Pickmere, whose annual income and annual expenditure are each less than £25,000, and who meet various criteria, are not required to submit their accounts for external audit. However, since the Council's receipts for the year have again, because of the unforeseen receipts, exceeded the threshold of £25,000, it is necessary for the accounts to be submitted to the External Auditor for a limited assurance review. It is believed that the

Auditor is not likely to comment on the accounts generally but it is again possible that the size of the Council's reserves will be queried or commented upon.

3. THE GOVERNANCE PROVISIONS AND ANNUAL ACCOUNTS

3.1 Your Clerk/Responsible Financial Officer will introduce orally the Governance Provisions (see Appendix 1 'Section 1 – Annual Governance Statement 2021-22' – and seek Council's approval of them prior to your considering the financial figures.

3.1 The Council therefore must make decisions as to the following:

- To approve or not the Annual Governance Statement for 2021-22 – i.e. the general principles under which the Council operates, particularly in relation to its financial systems and safeguards.
- To consider and approve or not the Accounting Statement for 2021-22 – i.e. the statutory summary of the Council's receipts and expenditure during this financial year.
- To approve the Council's annual Asset Register.

2.6 The relevant documents are appended to this report.

2.7 Subject to your Council's agreement of these provisions and the financial figures, the Council is required:

- to send to the external auditor the AGAR forms by 30 June 2022.
- to publish relevant information on its website before 1st July 2022.
- to set a 30-working day period for the exercise of public rights to view the accounts and accounting records, this period must include the first ten working days of July. Accordingly, it is planned to set this period to start on Monday 27 June and to end on Monday 8 August.

3. RECOMMENDATION

3.1 That Council notes that its accounting procedures have been successfully internally audited.

3.2 That the Annual Governance Statement be approved and the Chair and Clerk be authorised to sign the return.

3.3 That the Accounting Statement for 2021-22 be approved and the Chair be authorised to sign the return.

3.4 That the relevant documents be submitted to the External Auditor in the appropriate timescale.

3.5 That Council approves the Asset Register as at 1st April 2022.

3.6 That Council approves the proposals for providing appropriate publicity to its Accounts for 2021-22.