

Published  
website  
31-7-23

**Kings Hill Parish Council**

**Notice of conclusion of audit**

**Annual Governance & Accountability Return for the year ended 31 March 2022**

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

|  | Notes  |
|--|--|
| <p>1. The audit of accounts for <b>Kings Hill Parish Council</b> for the year ended 31 March 2022 has been completed and the accounts have been published.</p>   | <p>This notice and Sections 1, 2 &amp; 3 of the AGAR must be published by 30 September. This must include publication on the smaller authority's website. The smaller authority must decide how long to publish the Notice for; the AGAR and external auditor report must be publicly available for 5 years.</p> |
| <p>2. The Annual Governance &amp; Accountability Return is available for inspection by any local government elector of the area of <b>Kings Hill Parish Council</b> on application to:</p> <p>(a) <u>KAREN BELL</u><br/><u>CLERK TO THE COUNCIL</u><br/><u>KHPC</u><br/><u>KINGS HILL COMMUNITY CENTRE</u><br/><u>TO GIBSON DRIVE KINGS HILL</u><br/><u>ME19 4LG</u></p> <p>(b) <u>MONDAY TO FRIDAY</u><br/><u>9a.m - 2 p.m.</u></p> | <p>(a) insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR</p> <p>(b) insert the hours during which inspection rights may be exercised</p>  |
| <p>3. Copies will be provided to any person on payment of £___ (c) for each copy of the Annual Governance &amp; Accountability Return.</p> <p>Announcement made by: (d) <u>KAREN BELL</u><br/><u>CLERK TO THE COUNCIL.</u></p> <p>Date of announcement: (e) <u>31-7-23</u></p>   | <p>(c) insert a reasonable sum for copying costs</p> <p>(d) Insert the name and position of person placing the notice</p> <p>(e) Insert the date of placing of the notice</p>  |

## Final External Auditor Report and Certificate 2021/22 in respect of Kings Hill Parish Council – KE0150

### Respective responsibilities of the body and the auditor

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with Proper Practices which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### External auditor report 2021/22

On 27 September 2022, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2022. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review. The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

1. The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:
  - a. Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £484,279 and £109,150 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.
  - b. Section 2, Box 10 is inconsistent with the balance published by the Public Works Loan Board. The figure in Box 10 should read £299,710.
2. Section 1, Assertions 1 and 4 have been incorrectly answered, the correct response to these assertions should have been 'No':
  - a. The Chairman performed the roles of Clerk and RFO at various times during the year. It can also be seen that the Chairman signed Section 1 as both the Chairman and Clerk initially, with the RFO signing as the Clerk.
  - b. The new Clerk/RFO was not formally appointed until 4 August, however the new Clerk/RFO countersigned Sections 1 and 2 of the AGAR and her signature was not dated.
  - c. Section 2 was not signed as certified by the acting RFO prior to presentation to the Council for approval, as is required by statute.



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**Final External Auditor Report and Certificate 2021/22 in respect of  
Kings Hill Parish Council – KE0150**

- d. Information has come to our attention from the internal auditor highlighting the fact that the Notice of conclusion of audit and external auditor report and certificate were not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015.
3. Section 1, Assertion 2 has been incorrectly answered due to a number of breaches of the Council's financial regulations; the correct response to this assertion should have been 'No':
  - a. Payment schedules were not prepared, discussed and approved during meetings. Please note verbal discussions without preparing schedules for meetings is insufficient.
  - b. The Internal Auditor noted that approval of payments had not been consistently recorded in the minutes during the year.
  - c. Bank statements were not verified to bank reconciliations during the year.
  - d. The verification of bank reconciliations was not done by a member other than the Chair during the year.
4. Section 1, Assertion 5 has also been incorrectly answered, the correct response should have been 'No':
  - a. The smaller authority did not carry out a risk review during the year.

Other matters not affecting our opinion which we draw to the attention of the authority:

1. We understand that the Council faced significant difficulties during the financial year 2021/22 and as a result many of the issues we have reported arose as the new Chair attempted to keep the Council functioning with very little support. We further note the Council's comments regarding improvements that have been made during 2022/23 and 2023/24; as a result, we expect that the new auditors will be able to report this when they follow up on our work.
2. We note that there is no detailed consideration of the evidence supporting the Annual Governance Statement responses within the minutes and the Sections of the AGAR were not separately approved. This discussion should be minuted in future years.
3. The smaller authority has not provided an adequate explanation for the variance between the prior and current year values in Box 6 of Section 2.
4. The smaller authority should review its financial regulations and standing orders, to ensure that they follow the NALC models. In our view, the smaller authority should consider revising its Financial Regulations to reinsert clause 5.2 in relation to the authorisation of payments, as well as reinserting wording from clause 4.1 in relation to the disaggregation of contracts.
5. We note that the smaller authority planned to adopt a report template for major expenditure which was discussed by full council; however, this was not done during the year. The smaller authority has informed us that a similar report for major expenditure will come into force from May 2023.
6. We received challenge correspondence in relation to the 2021/22 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

**External auditor certificate 2021/22**

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

PKF Littlejohn LLP

**PKF Littlejohn LLP**  
**25/05/2023**

## Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

### KINGS HILL 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.  | ✓      |     |     | <i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>   |
| 2. We maintained an adequate system of Internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.  | ✓      |     |     | <i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>   |
| 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. | ✓      |     |     | <i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>   |
| 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.   | ✓      |     |     | <i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>   |
| 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.  | ✓      |     |     | <i>considered and documented the financial and other risks it faces and dealt with them properly.</i>  |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.  | ✓      |     |     | <i>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.</i> |
| 7. We took appropriate action on all matters raised in reports from internal and external audit.  | ✓      |     |     | <i>responded to matters brought to its attention by internal and external audit.</i>   |
| 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.                                  | ✓      |     |     | <i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>   |
| 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 | <i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>   |
|   |        |     | ✓   |  |

\*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:

23-6-22

and recorded as minute reference:

Item 6 of Minutes of  
23.6.22

[www.kingshillparish.gov.uk/](http://www.kingshillparish.gov.uk/)

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

Chairman

Clerk

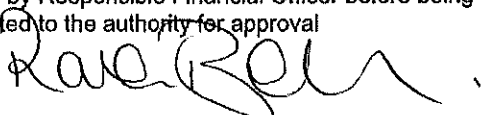
## Section 2 – Accounting Statements 2021/22 for

### KINGS HILL PARISH COUNCIL

|   | Year ending        |                    | Notes and guidance  |   |
|---|--------------------|--------------------|---|---|
|   | 31 March 2021<br>£ | 31 March 2022<br>£ |   |   |
| 1. Balances brought forward   | 50,801             | 28,202             | 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  | 389,502            | 424,279            | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.   |   |
| 3. (+) Total other receipts   | 243,265            | 169,150            | 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  | 410,889            | 126,290            | 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   | 42,696             | 42,696             | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).  |   |
| 6. (-) All other payments   | 201,781            | 301,705            | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).  |   |
| 7. (=) Balances carried forward   | 28,202             | 150,940            | 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   | 72,438             | 163,858            | 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                               | 219,117            | 164,332            | 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  | 326,976            | 305,724            | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).  |   |
| 11. (For Local Councils Only)<br>Disclosure note re Trust funds<br>(including charitable) | Yes                | No                 | N/A   | 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 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



Date

23.6.22

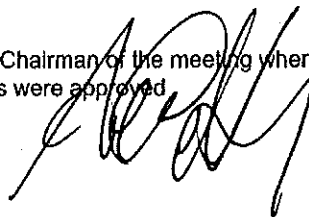
I confirm that these Accounting Statements were approved by this authority on this date:

23-6-22

as recorded in minute reference:

MINUTE ITEM 5. Full council 23/6/22.

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



## Section 3 – External Auditor Report and Certificate 2021/22

In respect of **Kings Hill Parish Council - KE0150**

### 1 Respective responsibilities of the auditor and the authority

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### 2 External auditor report 2021/22

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We are unable to complete our review work on the AGAR and supporting documentation as a result of correspondence received in relation to 2021/22 and/or prior years. Once we have finalised our review and completed any additional work arising from that correspondence, a final report will be provided with the certificate of completion detailing any qualifications and 'other' matters.

Our fee note for the limited assurance review will be issued when we certify completion.

Other matters not affecting our opinion which we draw to the attention of the authority:

Please see above.

### 3 External auditor certificate 2021/22

We do not certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022

We do not certify completion because:

We have received correspondence bringing information to our attention that we must consider before certifying the completion of our review and the discharging of our responsibilities.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature

*PKF Littlejohn LLP*

Date

**27/09/2022**

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))