

YORKSHIRE INTERNAL AUDIT SERVICES  
JASPER COTTAGE, SESSAY, THIRSK, NORTH YORKSHIRE YO7 3BE  
TELEPHONE 01845 501660

Mr Keith Langley  
Clerk to Askham Bryan Parish Council  
3 Flats Lane  
Barwick in Elmet  
Leeds  
LS15 4LJ

Dear Mr Langley

**To the Chairman and Members of Askham Bryan Parish Council  
Internal Audit of Accounts for the Financial Year ending 31 March 2021  
Final Audit**

I am pleased to inform you that the internal audit is complete. Appropriate tests and checks were carried out on the accounts and management arrangements to confirm that the systems of financial and other controls over the council's activities and operating procedures are effective. Unfortunately, no visit to the council was possible again due to the continuing effect of the pandemic on work and travel arrangements, therefore the audit has been carried out online and by discussion with the clerk. Following that I can confirm that internal controls are operating as expected and there are no matters to give cause for concern.

Action taken and outstanding action on the matters raised in my previous report is discussed in the following paragraphs. There are no new matters to bring to members attention.

The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2020/21 has been completed as required.

Control Objective C The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

This control was not met last year as the council did not have a current risk management document.

During 2020/21 the council produced and adopted a risk management document as well as revising and adopting Standing Orders. However, due to the difficulties of holding meetings and conducting business during 2020/21 other procedures to support assessment of risk such as internal controls and the Financial Regulations were not documented or had not been reviewed during the year.

I recommend that the council review and adopt the remaining governance documents as soon as it is possible

Control Objective D The precept requirement resulted from an adequate budgetary process, progress against budget was adequately monitored and reserves were appropriate

The council had prepared an annual budget for 2020/21 and from this determined their precept requirement for 2020/21. When setting the precept for the coming year most councils budget to carry forward a balance, to cover contingencies or specific spending plans. The council's precept for 2018/19 and 2019/20 was £2600 and £2650 respectively and balances at the year end were £2050 and £2598. For 2020/21 the budget and therefore the precept requirement was significantly higher due to anticipated expenditure on the newly acquired recreation area and no expectation of income. The reserves (year end balance at 31 March 2020) represented approximately three months of 2020/21 revenue expenditure which was within acceptable limits.

However, the council did not have a reserves policy, and during the budget process given the planned expenditure required on the recreation area it was necessary to increase the precept by three and a half times its 2019/20 amount. The council did not create a specific reserve or determine a level at which they wished to set a general reserve but set the budget to cover the predicted expenditure only. In order not to have a greater increase in the precept the council may not wish to increase the reserves significantly but should have a considered reserves policy and work towards achieving it in a realistic timescale.

I recommended that the council introduce a reserves policy taking into account and deciding upon the level of working balances required and any other known events before setting their precept for the next year.

The council did not determine a reserves policy but consideration of the required reserves was discussed when the budget for 2021/22 was set. The precept request for 2021/22 is at a similar level to 2020/21 taking into account the improved level of the balance carried forward at 31 March 2021.

Control Objective L The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations

The necessary document advertising the period for the exercise of public rights in summer 2019 could not be produced and was not currently published on the website so I could not confirm that this objective was met. For summer 2020 although I have seen the required notice unfortunately as the council's website is currently under development it can no longer be shown and therefore it cannot be demonstrated that it was advertised as required.

### Payment methods

During last year's audit I noted that discussions had been held and agreement made to introduce electronic banking. I commented that before any such process was agreed upon the council should consider the controls necessary to ensure that any payments made have been approved and are made in a safe and secure manner and comply with the council's financial regulations. These had not been recently reviewed and were likely not to contain controls for electronic banking.

Although the council had agreed to undertake electronic banking and arrangements, difficulties caused by working during the pandemic delayed its introduction.

Electronic banking and payments are now in use and to date Standing Orders have been amended to include the necessary control procedures.

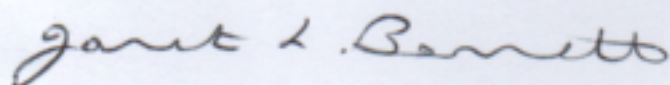
### Minutes

Last year during my review of the council minutes I noted that the business and minutes of a charity for which the council is a sole trustee was dealt with in the body of the council minutes on one occasion. I reminded the council that as sole trustee of the charity it was responsible for managing the funds and assets but should ensure that all charity business is excluded from council meetings and minutes.

None of the business of the charity was included in the council minutes for 2020/21

I would like to thank the clerk for his assistance during the audit.

Yours sincerely



JL Bennett  
5 May 2021

PARTNERS ~ KC Stephenson  
RF Entwistle

Tel: 0113 2585610  
Tel 01845 501660

PRINCIPAL AUDITOR ~ Mrs JL Bennett Tel: 01924 671829

# Annual Internal Audit Report 2020/21

ASKHAM BRYAN PARISH COUNCIL

<http://askhambryan-org-uk.teectest.co.uk/>

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.	<input checked="" type="checkbox"/>		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			PETTY CASH NOT HELD
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.	<input checked="" type="checkbox"/>		
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>		
I. Periodic bank account reconciliations were properly carried out during the year.	<input checked="" type="checkbox"/>		
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.	<input checked="" type="checkbox"/>		
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")	<input checked="" type="checkbox"/>		
L. The authority 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.		<input checked="" type="checkbox"/>	NOTICES SEEN BUT
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).		<input checked="" type="checkbox"/>	WEBSITE IN DEVELOPMENT AND NO
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).		<input checked="" type="checkbox"/>	LONGER SHOWN ONLINE
<b>O. (For local councils only)</b>	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input checked="" type="checkbox"/>		

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

Name of person who carried out the internal audit

05/05/2021

DD/MM/YYYY

DD/MM/YYYY

JANET BENNETT, YORKSHIRE INTERNAL AUDIT SERVICES

Signature of person who carried out the internal audit

*Janet L. Bennett*

Date

05/05/2021

\*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).

Grant L. Bennett  
 YORKSHIRE INTERNAL  
 AUDIT SERVICES  
 5/5/2021

Section 2 – Accounting Statements 2020/21 for

ASKHAM BRYAN PARISH COUNCIL

RESTATED

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	2,050	2,598	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	2,569	9,184	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	<del>24,536</del> 24,356	1,813	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	2,233	4,089	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	24,144	3,982	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	2,598	5,524	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	2,598	5,524	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	17,196	17,288	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	0.00	0.00	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

SIGNATURE REQUIRED  
 DD/MM/YYYY  
 Date

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED