

08 JUN 2023

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## Annual Internal Audit Report 2022/23

Bridgnorth Town Council

www.bridgnorthtowncouncil.gov.uk

During the financial year ended 31 March 2023, 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 2022/23 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.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")	N/A		✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		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

Name of person who carried out the internal audit

08/01/2023 and 21/04/2023 and 05/06/2023

JDM BUSINESS SERVICES LTD

Signature of person who carried out the internal audit

Date

06/06/2023

\*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).

## Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

**ENBridgnorth Town 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 2023, 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:

**DD/MM/YYYY**

and recorded as minute reference:

**MINUTE REFERENCE**

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

Chairman

**SIGNATURE REQUIRED**

Clerk

**SIGNATURE REQUIRED**

**www.bridgnorthtowncouncil.gov.uk** **ENTERED PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS**

# NOTES FOR AGAR SECTION 1

## ANNUAL GOVERNANCE STATEMENT

### Steps taken to comply with sections 1 – 9

Agreed			
		Yes	No* 'Yes' means that this authority:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<p>Prepared its accounting statements in accordance with the Accounts and Audit Regulations:</p> <ul style="list-style-type: none"> <li>i) The budget is prepared and approved in good time to set the precept</li> <li>ii) The budget is monitored during the year</li> <li>iii) Accounts papers are presented to Council on a monthly basis</li> <li>iv) Bank reconciliation statements for all bank accounts, corporate card and petty cash are checked and signed by 2 Councillors on a monthly basis</li> <li>v) RBS are employed to complete the year end process/closedown. This provides an annual health check on the accounts</li> <li>vi) A Reserve policy is in place and is reviewed annually</li> </ul>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<p>Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge:</p> <ul style="list-style-type: none"> <li>i) Standing Orders and Financial Regulations are in place, reviewed regularly and adhered to</li> <li>ii) Orders are completed by the relevant staff members, within the prescribed authorities set out in Financial Regs.</li> <li>iii) All orders are signed off by the Town Clerk or RFO</li> <li>iv) Invoices are processed and signed off by the Town Clerk</li> <li>v) All cheques are signed by 2 Councillors, on a monthly rota,</li> </ul>



			<p>after authorisation at Town Council.</p> <p>vi) Each month 2 Councillors sign off the bank reconciliations after cross referencing with the bank statements for all bank accounts, corporate card and petty cash</p> <p>vii) All changes to bank mandates are made by resolution of Council</p> <p>viii) The corporate card has a set limit of £1,500 and is cleared each month by direct debit</p>
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.			<p>Has only done what it has the legal power to do and has complied with Proper Practices in doing so:</p> <p>i) The Town Council has the General Power of Competence</p> <p>ii) The Town Council are members of SALC &amp; NALC – Advice is sought if unsure on any aspect of regulations and proper practices</p>
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.			<p>During the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts: The following are published on the Town Council website and notice boards:</p> <p>i) Sections 1 &amp; 2 of the AGAR</p> <p>ii) Declaration of the 'unaudited' accounts</p> <p>iii) Exercise of Public Rights</p> <p>iv) Notice of conclusion of the AGAR</p>
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			<p>Considered and documented the financial and other risks it faces and dealt with them properly:</p> <p>i) Management &amp; Financial Risk Assessment Register is adopted at Town Council</p> <p>ii) Insurance cover in place</p>

external insurance cover where required.				
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: i) Internal Audits undertaken	
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: i) Internal and External Audit reports are presented to Town Council when received ii) Corrective action is taken if needed iii) The Finance Committee will be reviewing the Internal Audit Reports	
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: i) Consideration is given during the budget setting process	
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.			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.

## Section 2 – Accounting Statements 2022/23 for

Bridgnorth Town Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	595,551	582,243	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	638,498	684,300	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	303,360	382,137	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	521,151	555,799	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	434,015	425,754	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	582,243	667,127	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	593,145	683,984	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	2,379,304	2,379,308	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	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)	✓			The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)	✓			The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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]* SIGNATURE REQUIRED

Date

14/6/2023

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