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6th September 2021

Worminghall Parish Councillors

Parish Council accounts for year ending 31st March 2021

As requested, I have once again reviewed the financial schedules, bank statements and supporting documents which were made available for me to undertake the internal audit of the Worminghall Parish Council accounts for the year ended on 31st March 2021.

You will see from the attached financial statements, the total bank balance including reserves at 31st March 2021 was £20894 . This figure represents a further material increase in available funding compared with the closing bank balance of £11253 at the last year end. I should also point out that the comparable figure as at 31st March 2019 was £7580. In addition there is in excess of £1500 of recoverable VAT for the previous 2 years to be reclaimed in the current financial year which will further boost reserves.

With total income in the year of £14826 broadly in line with budget, the increase in bank funds of £9642 was totally as a result of the significant shortfall in expenditure in the year ie actual costs incurred were £5185 versus a budget expectation of £15468. Clearly the vacancy for a parish clerk saved £3014 and the failure to commit to certain planned initiatives including replacement of Notice boards at £1500 and the second phase of a traffic survey at £2500 accounted for much of the balance of the underspend. In addition there was once again the absence of any S137 payments against the budget allowance of £1000 together with under expenditure of over £1300 under some other expense headings. However this outcome is not surprising against the background of Covid restrictions.

Clearly the challenges the parish council faced in 20/21 were exceptional but in the current financial year it will hopefully be possible to return to more normal ways of working. With this in mind, there are a few points arising from my audit which I would recommend should be considered as key priorities in the new financial year for the new clerk.

1) I would remind councillors that in accordance with the adopted financial regulations of the importance of continuing to closely monitor through a regular quarterly review, the ongoing expenditure levels and bank funding against budget levels.

2) *The practice of reclaiming VAT on an annual basis should be reinstated*

3) *Before setting the precept level for 22/23, the councillors should review the 3 year income and expenditure requirements for the parish and following on from that, the adequacy of current reserves to fund any specific projects. For instance £5000 is currently held in reserves for a traffic survey but I have seen no evidence as to the timescales for this project*

4) *I would recommend that the various standing orders on the PC website are reviewed as some appear to need updating particularly the Risk Assessment Strategy which I believe should be considered and adopted annually.*

In conclusion, I am pleased to confirm there were no issues arising from the audit impacting on the attached financial statements which I am required to bring to the attention of the councillors. I have therefore passed to Tracey the Annual Internal Audit Report section of the AGAR for 20/21 which I have signed as the internal auditor.

However if any of the councillors have any specific questions regarding the financial schedules or the audit process please contact me by email. or phone.

Yours faithfully



D S Potter FCMA,CGMA