

Annual Internal Audit Report 2018/19

PUXTON PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 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	Agreed? Please choose one of the following		
	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.			N/A
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 and year-end bank account reconciliations were properly carried out.	✓		
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 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	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

03/05/19

DD/MM/YY

DD/MM/YY

PHILIP J SMITH

INTERNAL AUDITOR

Signature of person who carried out the internal audit

Date 03/05/19

*If the response is 'no' you must include a note to 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 2018/19

We acknowledge as the members of:

PUXTON 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 2019, that:

	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.	✓		<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 should be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

06/06/19

and recorded as minute reference:

079/19 REFERENCE

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

Chairman

James Corbett

Clerk

Donald Hill

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

puxtonparishcouncil.org.uk

Section 2 – Accounting Statements 2018/19 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	52248	53238	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. 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	6600	6960	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	756	233	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	2957	3023	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
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	3409	43057	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	53238	14351	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	53238	14351	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	5250	5372	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	44993	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 2019 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

Donald Hill

Date

27th May 2019

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

06/06/19

as recorded in minute reference:

082/19

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

J G Corbett

PUXTON PARISH COUNCIL

CURRENT ACCOUNT BANK RECONCILIATION - page 1 - Presentation Modified to clarify Audit queries: 5th August 2019

BEING THE INCOME & EXPENDITURE SUMMARY FROM 1ST APRIL 2018 - 31ST MARCH 2019

During 2016-17 a sum of £41,172.25 was received from Canadian Solar as a community donation, in relation to a Solar Farm built off Wick Lane, Hewish. In February 2017 this was invested for the Community, as the Hewish & Puxton Community Fund, with Cambridge & Counties Bank. In June 2018 £40,000 of the fund was granted to Hewish & Puxton Village Hall Ltd in the form of a long-term, non-interest bearing mortgage, to contribute to the purchase of the Hall's freehold. The balance of £1568 is now ring-fenced in the Parish Council's single HSBC bank account to cover legal fees associated with setting up the Hall mortgage. The Mortgage deed was not completed until the end of the Hall lease at May 31st 2019. The £40,000 asset value was therefore attached to the asset register in June 2019.

	2018-19			2017-18		
INCOME & EXPENDITURE SUMMARY	Puxton PC	Community Fund	Total @ HSBC	Puxton PC	Community Fund	Total @ HSBC & Cambridge & Counties Bank
Precept	6960	-		6600	-	
Other Income (Council Tax Support Grant)	129	-		270	-	
Interest	0	104		0	486	
TOTAL INCOME						
Add Funds Bought Forward	11525	41714		11021	41227	
Deduct Clerk's Pay for Year	-3023	-		-2957	-	
Deduct Other Expenses Paid Out	-2808	-40250		-3409	-	
FUNDS CARRIED FORWARD TO NEXT YEAR	12783	1568	14351	11525	41713	53238
BANK RECONCILIATION						
Balances per Accounts @31st March			14351			53238
Plus Un-presented Cheques @ 31st March			0			148
Balances per Bank Statements @ 31st March			14351			53386

EXPENDITURE

see page 2 for analysis of differences

	2018-19	2017-18
Clerk's pay	3023	2957
Hall Hire	275	275
Training	0	0
Insurance	245	245
Cllr/Clerk Expenses	412	412
Subscriptions	57	56
Donations	0	0
Asset Purchases	122	399
Other Purchases	164	102
Audit *	60	330
Website	192	150
Election Admin	0	0
Parish Maintenance	1280	1440
Total Expenditure	5830	6366

The Council is not VAT registered

Assets Register:

Asset Book Total (at replacement prices)

1 Apple Mini Computer £399 : 1 Printer £0 : 4 Flower Planters £2000 : 2 Grit Bins £300 : 1 Noticeboard £980
1 Projector £0 : 1 Film Screen £0 : 2 Public Benches £1000 : SpeedWatch Radar Gun £191

Long Term Investments per page 2

TOTAL ASSETS

£4992

£40,001

£44993

The Council handles no cash, so there is no cash book

Approved by the Parish Council

Signed.....
Chairman

Signed.....
Clerk/RFO

Date.....
Presentation Modified to clarify Audit queries: 5th August 2019

PUXTON PARISH COUNCIL
BANK RECONCILIATION - page 2
INCOME & EXPENDITURE SUMMARY FROM 1ST APRIL 2018 - 31ST MARCH 2019
ANALYSIS OF DIFFERENCES BETWEEN 2017-18 & 2018-19

INCOME	2018-19	2017-18	Differences	% Difference	Notes
Precept	6960	6600	360	105.45	
Bank Interest	0	0	0		
Other Income	129	270	-141	47.78	Reduction in Community Support Grant
EXPENDITURE					
Clerk's Pay	3023	2957	66	102.23	
Other Expenses					
Hall Hire	275	275	0	100.00	
Training	0	0	0		
Insurance	245	245	0	100.00	
Cllr's Clerk's Expenses	412	412	0	100.00	
Subscriptions	57	56	1	101.79	
Donations	0	0	0		
Asset Purchases	122	399	-277	30.58	Filing Cabinet @ £122. Apple mini computer £399
Other Purchases	164	102	62	160.78	Community News Costs + in 2018-19 memory sticks for data backup, ICO GDPR fee.
Audit	60	330	-270	18.18	2017-18 included external audit cost due to the addition of Community Fund monies.
Website	192	150	42	128.00	Upgrade costs
Elections	0	0	0		
Parish Maintenance	1280	1440	-160	88.89	2017-18; North Somerset Council charge for Puxton Lane speed check - £160.
Excluding Clerk's Pay	2807	3409	-602		
<i>Including Clerk's Pay</i>	<i>5830</i>	<i>6366</i>	<i>-536</i>		<i>Agrees with page 1 summary</i>
Hewish & Puxton Community Fund	41714	41228			
Interest	104	486	-382	21.40	Interest received from Cambridge and Counties Bank
Expenditure	-40250	0			St Annes School Defibrillator £250 - H&P Village Hall Mortgage £40,000
Balance at 31 March 2019	1568	41714			This amount is reserved to cover legal costs re the Village Hall Mortgage
Fixed & Long Term Assets	44993	5250	39743		+ Filing Cabinet £122. - Written off Projector & Screen £380. + Long Term Investments as under*

*Puxton Parish Council Long Term Investments as under:

* The Car Park attached to St Anne's Church Academy - via S106 monies per deed on file Asset £1.00

** From Hewish and Puxton Community Fund: £40,000 advanced to Hewish and Puxton Village Hall Ltd as no-interest mortgage, towards the purchase of Hall freehold per deed on file £40,000.00