

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.	<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.			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.	<input checked="" type="checkbox"/>		
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>		
I. Periodic and year-end bank account reconciliations were properly carried out.	<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 2017/18, it met the exemption criteria and correctly declared itself exempt. (<i>'Not Covered'</i> should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			<input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			Not applicable <input checked="" type="checkbox"/>

For any other risk areas identified by this authority adequate controls existed (set any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

03/05/19

Name of person who carried out the internal audit

PHILIP J SMITH

Signature of person who carried out the internal audit

[Redacted Signature]

Date

[Redacted Date]

*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, means that this authority
	Yes	No	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
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.
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.
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.
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.			✓	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*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

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	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 employers 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 cashbook 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	0	The outstanding capital balance as at 31 March of all loans from third parties (including PMLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable):			The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets. <input checked="" type="checkbox"/> Yes 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 the 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 Practice and present fairly the financial position of the 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 the date:

06/06/19

as recorded in minutes reference:

082/19

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

James Corbett

Section 3 – External Auditor Report and Certificate 2018/19

In respect of

Puxton Parish Council – AV0097

1 Respective responsibilities of the body and the auditor

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 2019; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2018/19

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.

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

The AGAR was not accurately completed before submission for review. The AGAR had to be sent back for amendment.

In the prior year, the smaller authority was exempt from our review, thus we have not reviewed any evidence to support the prior year comparatives on the AGAR.

The annual internal audit report focuses on a series of internal control objectives covering an authority's key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority. We note that the internal auditor has not provided a conclusion on the following internal control objectives: K. The annual internal audit report will inform the authority's response to assertions 2 and 6 in the annual governance statement. As a result, the authority must ensure that assurance that has not been provided via these control objectives has been sought elsewhere.

3 External auditor certificate 2018/19

We 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 2019.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

Date

13/09/2019

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2018/19 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

PUXTON PARISH COUNCIL
CURRENT ACCOUNT BANK RECONCILIATION - page 1
BEING THE INCOME & EXPENDITURE SUMMARY FROM 1ST APRIL 2017 - 31ST MARCH 2018

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

INCOME & EXPENDITURE SUMMARY	2017-18	2016-17		EXPENDITURE	2017-18	2016-17
	HSBC					
Precept	6600		6360	Clerk's pay	2957	2640
Other Income (Council Tac Support Grant)	270		41621	Hall Hire	275	288
Interest	0		0	Training	0	0
TOTAL INCOME		6670	47981	Insurance	245	240
Add Funds Bought Forward	11021		8738	Clt/Clerk Expenses	412	412
Deduct Clerk's Pay for Year	-2957		-2640	Subscriptions	56	55
Deduct Other Expenses Paid Out	-3408	4665	-43058	Donations	0	0
FUNDS CARRIED FORWARD TO NEXT YEAR		11635	11021	Asset Purchases	0	0
				Other Purchases	501	188
				Audit *	330	68
				Website	150	150
				Election Admin	0	0
				Parish Maintenance	1440	525
				Total Expenditure	6366	4527
BANK RECONCILIATION						
Balances per Accounts @ 31st March		11635	11021			
Plus Un-presented Cheques @ 31st March		148	85			
Balances per Bank Statements @ 31st March		11673	11106			

The Council is not VAT registered

Assets Register: Asset Book Total (at replacement prices) £5250

1 Apple Mini Computer £399 1 Printer £0 4 Flower Planters £2000 2 Grit Bins £300 1 Noticeboard £980
 1 Projector £300 1 Film Screen £80 2 Public Benches* £1000 SpeedWatch Radar Gun £191

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

* Re Audit: External audit attracted a £200 additional charge as the Solar Farm Community income put the Council's 'income' above the free audit level. The Solar Farm Income was, an income to the Community, rather than to the Council, who are acting as its custodians

Approved by the Parish Council

Signed... **James Corbett**
 Chairman

Signed... **Donald Hill**

Clerk
 Date... **6 June 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	Difference	Notes
Precept	6960	6600	360	
Bank Interest	0	0	0	
Other Income	129	270	-141	
			0	
EXPENDITURE				
Clerk's Pay	3023	2957	66	
Other Expenses			0	
Hall Hire	275	275	0	
Training	0	0	0	
Insurance	245	245	0	
Cllr's Clerk's Expenses	412	412	0	
Subscriptions	57	56	1	
Donations	0	0	0	
Asset Purchases	122	399	-277	Filing Cabinet @122. Apple mini computer £399
Other Purchases	164	102	62	
Audit	60	330	-270	2016-17 included addition of Community Fund monies.
Website	192	150	42	
Elections	0	0	0	
Parish Maintenance	1280	1440	-160	
Excluding Clerk's Fee	2807	3409	-602	
<i>Including Clerk's Pay</i>	<i>5830</i>	<i>6366</i>	<i>-536</i>	
BALANCE SHEET ITEMS			0	
Fixed & Long Term Assets	5372	5250	122	
Hewish & Puxton Community Fund	1568	41714		£41714 + interest of £104 - St Annes School £250 - H&P Village Hall £40,000 = £1,568