

Annual Internal Audit Report 2018/19

HUTTON ROOF 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.			✓
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 ✓

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

16 APRIL 2019

DD/MM/YY

Name of person who carried out the internal audit

MRS J. M. HARTLEY, AUDITOR

Signature of person who carried out the internal audit

JHartley

REQUIRED

Date

16-4-19

*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).

**INTERNAL AUDIT REPORT 2018-19 ACCOUNTS
PERFORMED BY JULIE HARTLEY, IPFA, CILCA**

NAME OF PARISH: HUTTON ROOF PARISH COUNCIL

VISIT DATE: 16th April 2019

SUMMARY STATEMENT:

Overall, financial controls were found to be sound and it is reassuring to note that the recommendations from last year's Internal Audit have been implemented (standing orders and financial regulations are now in place and on-line payment authorisation now meets control requirements).

There are no significant recommendations this financial year. The Accounts are in good order but would benefit from a totals row on the expenditure spreadsheet. It is appreciated that this is a very minor recommendation.

SUMMARY OF TESTING AND FINDINGS

Internal Control area	Documents reviewed	Findings
Overall financial controls set properly	Standing Orders Financial Regulations	Good
Budgetary Control – proper arrangements	Budget for 2018/189 Budget Monitoring Council minutes	Good
Expenditure – authorisation	Invoices Minutes	Good
Expenditure – accounting	Cash Book Bank reconciliations	Good. Totals row needed.
Income controls	Cash book Bank statements/Reconciliation	Good
Payroll – legally performed	Payroll records	Legal and performed correctly via HMRC online.
Risk Management	Insurance Policy Risk management policy	In place In place
Asset Management	Asset register	In place. No changes.
Information Management (Transparency Code)	Web site	All relevant information is available online.
Data Protection	Check arrangements are in place to meet new DP Act.	This is clearly in development.

Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

HUTTON ROOF 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		
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>
			N/A	

*For any statement to which the response is 'no', an explanation should be published

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

DD/MM/YY

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

Section 2 – Accounting Statements 2018/19 for

HUTTON ROOF PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	1,456	1,548	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	2,236	3,804	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1,084	142	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	1,932	2,670	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	1,296	912	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	1,548	1,912	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	1,548	1,912	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	507	507	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).
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

Signed *J Saunders*

Date 15/04/2019

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

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

HUTTON ROOF PARISH COUNCIL

BANK RECONCILIATION AT 31 MARCH 2019

	£
Cashbook balance brought forward 1 April 2018	£1,548.91 ✓
Add Receipts to 31 March 2019	£3,946.00 ✓
Less Payments to 31 March 2019	£3,582.12 ✓
Cashbook balance carried forward 31 March 2019	£1,912.79 ✓
Balance at bank at 31 March 2019 Barclays Bank Community Account	£1,912.79 ✓ JH
Total balances at bank at 31 March 2019	£1,912.79

HUTTON ROOF PARISH COUNCIL - BUDGET MONITORING STATEMENT 2018/19 - 31 MARCH 2019			
EXPENDITURE	Budget 2018/19	01/04/18 - 31/03/19 Actual Spend (net)	Variance from budget
Clerk's Salary	£2,550.00	£2,614.73	£64.73
Administration inc website	£500.00	£374.39	-£125.61
Insurance	£265.00	£224.00	-£41.00
Audit Fee	£75.00	£75.00	£0.00
Meeting Room Hire	£70.00	£52.00	-£18.00
Training	£250.00	£35.00	-£215.00
Subscriptions	£150.00	£151.00	£1.00
Grants/S137	£50.00	£50.00	£0.00
VAT	£50.00	£6.00	-£44.00
Elections	£0.00	£0.00	£0.00
TOTAL EXPENDITURE	£3,960.00	£3,582.12	-£377.88
			Small underspend

INCOME	Budget 2018/19	Actual income	Variance
Precept	£3,803.76	£3,803.76	£0.00
SLDC Grant	£41.64	£41.64	£0.00
Parish Land (wayleaves)	£64.60	£64.60	£0.00
VAT Refund	£50.00	£6.00	-£44.00
Other income	£0.00	£30.00	£30.00
Total Income	£3,960.00	£3,946.00	-£14.00
			B4RN reimbursement re Parish Online Less VAT expenditure

HUTTON ROOF PARISH COUNCIL - FINAL BUDGET 2019 - 2020			
EXPENDITURE	2018 - 2019 Total forecast	Budget 2019 - 2020	Notes re 2019 - 2020
Clerk's Salary	£2,614.73	£2,550.00	Assumes 2% pay rise, average 4 hours per week, small contingency
Administration inc website	£400.00	£500.00	Includes stationery, website, Clerk's and councillors' expenses
Insurance	£224.00	£265.00	
Audit Fee	£75.00	£75.00	
Meeting Room Hire	£52.00	£70.00	Includes small contingency in case of additional meetings
Training	£35.00	£250.00	New councillor training may be required
Subscriptions	£151.00	£150.00	CALC and SLCC (Society of Local Council Clerks)
Grants/Section 137	£50.00	£50.00	Newsletter contribution; other donations (eg GNAA)?
VAT	£6.00	£50.00	VAT is reclaimed each year (see below)
Parish Elections	£0.00	£0.00	Added to expenses by SLDC one year in arrears
TOTAL EXPENDITURE	£3,607.73	£3,960.00	

INCOME	
Precept	£3,803.76
SLDC Grant	£41.64
Parish Land	£64.60
VAT Refund	£6.00
Other income	£30.00
Total Income	£3,946.00

Note: it was resolved to allocate £100 to Community Led Planning expenditure but that this amount would be taken from reserves if required.