

Annual Internal Audit Report 2017/18

NEWNHAM 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 2018.

The internal audit for 2017/18 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. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

25/6/2018

Name of person who carried out the internal audit

PETER K BROWN

Signature of person who carried out the internal audit



Date

25/6/18.

*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 2017/18

We acknowledge as the members of:

NEWNHAM 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 2018, 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.	✓		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.	Yes	No	N/A
			✓

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

8.1
dated 14/05/2018

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

Chairman

Clerk

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

Authority web address

www.parishofnewnham.org.uk/newnham-pc.info

newnham-pc.info

Section 2 – Accounting Statements 2017/18 for

NEWNHAM PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	11445	8815	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	7409	8150	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	9755	21599	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	3756	3526	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	16038	28092	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	8815	6945	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	8815	6945	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	13806	12548	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 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 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

[Redacted Signature]

Date

14/05/2018

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

14/05/2018

and recorded as minute reference:

8.2

Signed by Chairman of the meeting where approval of the Accounting Statements is given

[Redacted Signature]

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

NEWNHAM PARISH COUNCIL

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 2018; 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 2017/18

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2017/18

We certify/do not 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 2018.

*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

2017 - 2018 Bank Reconciliation

Receipts and payments summary 2017/18 YE

1	Balance Brought Forward from 1st April 2017	£8,815.33
2	Plus Income 2017/18	£12,192.81
3	Plus Lengthsman income 2017/18	
4	Less Expenditure 2017/18	£14,062.68
5	Less L/M Expenditure 2017/18	
6	Balance to date	£6,945.46

Reconciliation at 2017/18 YE

7	Current / Treasurers Account	£4,649.04
8	Bus Inst Access / Savings Account	£3,065.12
9	TOTAL BANK ACCOUNTS	£7,714.16
10	Plus Income outstanding	£1,896.34
11	Less cheques to clear	£2,665.04
12	Balance to date	£6,945.46

Notes

13	Income outstanding at box 10 includes	
	charges repayment	£105.00
	VAT reclaim not cleared	£188.94
	LM VAT reclaim not cleared	£1,366.65
	NGPA outstanding (from Newnham Green)	£235.75
	Total	£1,896.34
14	Cheques to clear at Box 11 =	
	694 British Legion Poppy Appeal -	£20.00
	700 Roy Wood - mole clearance - (cleared April)	£40.00
	701 Clerk salary Dec 17, Jan 18 - (cleared April)	£587.70
	703 Roy Wood - mole clearance - (cleared April)	£80.00
	704 Clerk salary Feb, Mar 18 - (cleared April)	£587.70
	705 Expenses - (cleared April)	£216.00
	706 Clubroom Chairs x 30 - (cleared April)	£1,133.64
	Total	£2,665.04

Signed:

June James, Chairman ...

14th May 2018

Susan Turner, RFO

14th May 2018

Newnham Parish Council

2017 - 2018 Significant Variations: AUDIT SHEET

Difference between current and previous year greater than both 10% and £100
in Section 1, boxes 2, 3, 4, 5, 6, 9 and 10

	Item	Previous Year 2016/2017 +LM	Current Year Parish C 2017/2018	Current Year Lengthsman (HCC) 17/18	Current Year 2017/18 Total	Difference	Diff %
1	Balance Brought Forward	£11,445.17	£8,815.33		£8,815.33	£2,629.84	-22.98%
2	Annual Precept	£7,409.00	£8,150.00		£8,150.00	£741.00	10.00%
3	Total Other Receipts	£9,755.13	£4,042.81	£17,555.98	£21,598.79	£11,843.66	121.41%
4	Staff Costs	£3,756.47	£3,526.20		£3,526.20	£230.27	-6.13%
5	Loan interest/capital repayments	£0.00	£0.00		£0.00	£0.00	0.00%
6	Total other payments (excl salaries)	£16,037.50	£10,536.48	£17,555.98	£28,092.46	£12,054.96	75.17%
7	Balance carried forward	£8,815.33	£6,945.46		£6,945.46	£1,869.87	-21.21%
8	Total cash and short term investments	£8,815.33	£6,945.46		£6,945.46	£1,869.87	-21.21%
9	Total fixed assets and long term assets	£13,805.83	£12,547.50		£12,547.50	£1,258.33	-9.11%
10	Total borrowings	0	0		£0.00	0	0
11	Trust funds	NA	NA		NA	NA	NA

Box 3 Total other receipts						
Explanation for variation of £11,843.66 = 121.417%				16/17	17/18	Difference
	General grant			£1,100.00	£550.00	£550.00
	Grass cutting grant			£330.00	£333.00	£3.00
	BDBC tax base grant			£55.00	£37.00	£18.00
	Grant from County Cllr devolved budget			£1,000.00	£500.00	£500.00
	LM contribution to Audit Fee				£100.00	£100.00
	Hook Fun Run Donation to pub campaign				£100.00	£100.00
	VAT refund			£684.31	£1,543.50	£879.19
	Bank interest			£5.82	£5.31	£0.51
	LM VAT refund 16/17				£874.00	£874.00
	Lengthsman Scheme 2017/18			£6,600.00	£14,830.00	£8,230.00
	Lengthsman VAT refund 2016/17-2017/18				£2,725.98	£2,725.98
				£9,755.13	£21,598.79	£11,843.66

£11,843.66

Box 6 Total other payments (excl salaries)						
Explanation for variation of £12,054.46 = 75.17%				16/17	17/18	Difference
	Expenses			£457.00	£216.00	£241.00
	Finance / admin			£1,089.82	£1,044.55	£45.27
	Maintenance			£861.00	£385.00	£476.00
	Capital			£1,100.00	£0.00	£1,100.00
	Clubroom			£300.00	£944.70	£644.70
	Community - Events and donation			£420.00	£420.00	£0.00
	Old House at Home campaign			£2,739.15	£2,701.50	£37.65
	Newnham Green			£1,691.01	£2,353.75	£662.74
	Villager - Parish Magazine			£833.00	£0.00	£833.00
	VAT			£702.52	£840.98	£138.46
	LM funding taken over from 16/17 to 2017/18: Note paid into LM income for 2017/18				£1,630.00	£1,630.00
	This is to enable the Parish Council and LM figures to be separated for 2017/18					
	For 2017/18 and future years LM income will equal expenditure					
	Lengthsman Scheme			£4,970.00	£14,830.00	£9,860.00
	Lengthsman VAT			£874.00	£2,725.98	£1,851.98
	TOTAL			£16,037.50	£28,092.46	£12,054.96

Signed:

June James, Chairman 14th May 2018

Susan Turner, RFO 14th May 2018

**CONFIRMATION OF THE DATES OF THE PERIOD FOR THE
EXERCISE OF PUBLIC RIGHTS**

Name of smaller authority: **NEWNHAM PARISH COUNCIL**

County Area (local councils and parish meetings only): **HAMPSHIRE**

**On behalf of the smaller authority, I confirm that the dates set for the period for the
exercise of public rights are as follows:**

Commencing on **Monday 2 July**

and ending on **Friday 10 August 2018**

Signed:  _____

Role: CLERK & RFO

**FOR SMALLER AUTHORITIES SUBJECT TO A REVIEW ONLY:
PLEASE SUBMIT THIS FORM TO PKF LITTLEJOHN LLP WITH
THE AGAR PART 3 AND OTHER REQUESTED DOCUMENTATION**