

# Annual Internal Audit Report 2018/19

GREAT BARTON 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.			✓ NONE HELD
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.			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

29/01/2019 15/05/2019 DD/MM/YYYY

Name of person who carried out the internal audit

ENTER TREVOR BROWN NA C.P.F.A.R

Signature of person who carried out the internal audit

SIGNATURE REQUIRED T. Brown

Date

15/05/2019

\*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 2018/19

We acknowledge as the members of:

GREAT BARTON 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	
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 has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.

\*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:

29/04/2019

and recorded as minute reference:

29/4/19 3(c) 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

GREAT BARTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward ✓	79049	71521	<i>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.</i> <i>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.</i>
2. (+) Precept or Rates and Levies ✓	32360	34803	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts ✓	11581	13473	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs ✓	14770	15507	<i>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.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments ✓	36699	22199	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward ✓	71521	82091	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments ✓	71521	82091	<i>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.</i>
9. Total fixed assets plus long term investments and assets ✓	120600	120927	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council as a body corporate acts as sole trustee for and is responsible for managing Trust funds or assets.</i> <i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>
		✓	

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

SIGNATURE REQUIRED

Date

29/04/2019

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

29/04/2019

as recorded in minute reference:

29/04/19 3(c) ENCE

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

SIGNATURE REQUIRED

## Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at t/

	£	£	£
<b>Earmarked reserves:</b>			
Small Projects	22507 ✓		
Neighbourhood Plan	4545 ✓		
Neighbourhood Plan grant	3252 ✓		
Youth Project	938 ✓		
Allotments	70 ✓		
Asset Maintenance	4482 ✓		
Asset Acquisition	7161 ✓		
Icepits Wood	18573 ✓		
		61528	
<b>General reserve</b>	20563 ✓		
		20563	
<b>Total reserves (must agree to Box 7)</b>			<b>82091</b>



**Explanation of variances – pro forma**

Name of smaller authority: **GREAT BARTON PARISH COUNCIL**  
 County area, local council and **WEST SUFFOLK**

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 1.5% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2017/18 £	2018/19 £	Variance £	Variance %	Explanation Required? Input: DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	79,049	71,521			Automatic responses trigger below based on figures required - Balance brought forward agrees	
2 Precept or Rates and Levies	32,380	34,803	2,443	7.55%	NO	
3 Total Other Receipts	11,581	13,473	1,892	16.34%	YES	Neighbourhood Plan grant received for 17/18 £8651 and 18/19 £3252. Grants from other sources for local projects 17/18 £800 but 18/19 £5555. VAT refunds 17/18 £1708 but 18/19 £1440 following the local projects completed in that audit year.
4 Staff Costs	14,770	15,507	737	4.99%	NO	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO	
6 All Other Payments	36,699	22,199	-14,500	39.51%	YES	£2589 extra spent in 18/19 on small projects and in 2017/18 one off payments made to: £2255 extra expenses for Neighbourhood Plan, £7118 on legal fees opposing West Suffolk Operational Hub, £2000 housing needs survey relating to Neighbourhood Plan, £1600 traffic assessment & £3950 speed sign purchased
7 Balances Carried Forward	71,521	82,091			YES	<b>VARIANCE EXPLANATION NOT REQUIRED</b> <b>EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES</b>
8 Total Cash and Short Term Investments	71,521	82,091			YES	<b>VARIANCE EXPLANATION NOT REQUIRED</b>
9 Total Fixed Assets plus Other Long Term Investments and	120,600	120,927	327	0.27%	NO	
10 Total Borrowings	0	0	0	0.00%	NO	
Rounding errors of up to £2 are tolerable						
Variances of £200 or less are tolerable						

GREAT BARTON PARISH COUNCIL ANNUAL BANK RECONCILIATION  
Financial Year ending 31 March 2019

Prepared by  .....

Date 29/4/18

Linda Harley Clerk and Financial Officer

Checked by  .....

Date 29/4/18

Philip Reeve Chairman

Balances per bank statements as at 31 March 2019	£	£
Current Account	£	23,409.76
Business Reserve Account	£	60,465.64
Total balances	£	83,875.40 ✓
Less unrepresented cheques at 31 March	£	2065
	£	2069
	£	2071
	£	2072
	£	2074
Total unrepresented cheques at 31/3/19	£	1,500.00
<b>Net bank balances at 31 March 2019</b>	£	1,784.58
The net balances reconcile to the cash book (receipts and payments account) for the year as follows:		<b>£82,090.82</b>
<b>CASH BOOK</b>		
Opening balance		£71,520.68
Add: Receipts in the year		£48,275.68
Less: Payments in the year		£37,705.54
<b>Closing balance per cash book as at 31 March 2019</b>		<b>£82,090.82</b>

<b>Reserves:</b>		
Small Projects	£	16,775.91
Neighbourhood Plan	£	4,545.11
Neighbourhood Plan Grant	£	3,252.00
Youth Project	£	938.06

General	£	20,563.00
Allotments	£	70.00
Asset maintenance	£	4,482.25
Asset acquisition	£	7,160.77
Icepits Wood	£	18,572.85
Total reserves	£	76,359.95
Balance c/fwd to Small Projects Reserve	£	5,730.87
Total reserves at 31/3/2019	£	82,090.82

for 2012-19