

Annual Internal Audit Report 2017/18

BUDBOOKE 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.	Y		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Y		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Y		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Y		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Y		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/C
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.	Y		
H. Asset and investments registers were complete and accurate and properly maintained.	Y		
I. Periodic and year-end bank account reconciliations were properly carried out.	Y		
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.	Y		
K. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			N/A

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

14/05/18

Name of person who carried out the internal audit

KENNETH JAMES DUNN

Signature of person who carried out the internal audit

KJDunn

Date

14/05/18

*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:

Budbrooke 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
			✓
			has met all of its responsibilities where 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. Describe how the authority will address the weaknesses identified.

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

L73-14a

dated

06.06.18

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.budbrookepc.org.uk

Section 2 – Accounting Statements 2017/18 for

BUDBOOICE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
			<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>
1. Balances brought forward	107,948	88,458	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	22,481	26,346	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	7,405	6,706	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	5,678	6,616	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	43,698	34,559	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	88,458	80,335	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	87,557	80,335	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	87,707	87,708	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



Date

14.5.18

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

6/6/18

and recorded as minute reference:

473.146

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



Section 3 – External Auditor Report and Certificate 2017/18

In respect of **BUDBOOKE 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)

Bank reconciliation – pro forma

Name of smaller authority: BURBROOKE PARISH COUNCIL

County area (local councils and parish meetings only): WARWICKSHIRE

Financial year ending 31 March 2018

Prepared by S. B. (Clerk & RFO) (Name and role)

Date 12.5.18

Balance per bank statements as at 31 March 2018: £ £

£ 80,517

Petty cash float (if applicable) 0

Less: any unpresented cheques at 31 March 2018

Chq 001723 4/4
001726

150.00
32.00

182.00

Add: any un-banked cash at 31 March 2018

0

Net balances as at 31 March 2018 (Box 8)

✓ 80,335

The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:

CASH BOOK:

Opening Balance 1 April 2017 (Prior year Box 8)

88,458.00

Add: Receipts in the year

33,062.40

Less: Payments in the year

41,175.40

Closing balance per cash book [receipts and payments book] as at 31 March 2018 (must equal net balances above – Box 8)

80,335

(See example for guidance if required)

Explanation of variances – pro forma

Name of smaller authority: BURBROOKE PARISH COUNCIL

County area (local councils and parish meetings only): WARWICKSHIRE

Please provide full explanations, including numerical values, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2016/17 £	2017/18 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 Precept or Rates and Levies	22,481	26,346	+3,865	17.2%	Precept increased to cover shortfall caused by reduction in District Council concurrent
Box 3 Total other receipts	7,405	6,706	-699	-9.4%	Services grant & council tax support grant - £3865. n/a
Box 4 Staff costs	5,678	6,616	+938	16.5%	New Clerk appointed 1.9.17. Overlap Sept 17 where both clerks paid. also new Clerk subject to PAYE contribution = £938
Box 5 Loan interest/ capital repayments	—	—	—	—	n/a
Box 6 All other payments	43,698	34,559	-9,139	-20.9%	
Box 9 Total fixed assets & long term investments & assets	87,707	87,708	+1	0.001%	n/a
Box 10 Total borrowings	—	—	—	—	n/a
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end: Community Centre Reserve fund Election Fund Reserve Play area update Play area 2 replacement				

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

Name of smaller authority:

BUDBROOKE PARISH COUNCIL

County Area (local councils and parish meetings only):

WARWICKSHIRE

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 7th June 2018

and ending on Weds 18th July 2018

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days
inclusive and must include the first 10 working days of July 2018.

We have suggested the following dates: Monday 4 June – Friday 13 July 2018.

The latest possible dates that comply with the statutory requirements are Monday 2 July – Friday 10
August 2018.)

Signed:

SBush

Role:

Clerk & RFO

**PLEASE SUBMIT THIS FORM TO PKF LITTLEJOHN LLP WITH
THE AGAR AND OTHER REQUESTED DOCUMENTATION**

"Those who are responsible for the conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and applicable proper practices. They must also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively."

from Governance and Accountability for Smaller Authorities in England

Internal Audit Schedule

to establish area of work to be covered by independent internal auditor

Name of Council:	BUDBOURNE PARISH	Name of Clerk	Ms SIMONE BUSH
No of councillors	9	Name of RFO if different	"
Quorum	4	Precept	£ 26,340
Electorate		Gross budgeted income	

	Area of inspection	Yes	No	Comments
1	Book Keeping			
1.1	Ledger maintained and up to date?	✓		
1.2	Arithmetic correct? (access to electronic version to check formulae)		✓	ONLY HARD COPY
1.3	Evidence of Internal Control?	✓		SUPPLIER INVOICES ARE NOTATED
1.4	VAT evidence, recording and reclaimed?	✓		
1.5	Payments in ledger supported by invoices, authorised and minuted? (see schedule, p3)	✓		NOT ALL SUPPLIER PAYMENTS ARE MINUTED
1.6	S137 separately recorded and within limits?	✓		
1.7	S137 expenditure of direct benefit to electorate? Include grant awarding policy	✓		
2	Due Process			
2.1	Standing Orders adopted since 2012?		✓	CHEQUE PAYMENTS ONLY
2.2	Standing Orders reviewed at annual meeting? Minuted?		✓	
2.3	Financial Regulations adopted? reviewed at annual meeting? Minuted?	✓		
2.4	FRs properly tailored to council?	✓		
2.5	Register / Record of Investments?	✓		BANK BALANCE SUMMARY
2.6	Details of investment income due and received?	✓		BANK INTEREST ONLY
2.7	Evidence of quotations and / or tenders where required by financial regs. (procurement policy)	✓		
2.8	Copy of agreements of loans made By the Council. Statement of balances outstanding?			NONE MADE BY
2.9	Copy of agreements of loans made To the Council. Statement of balances outstanding?			NONE MADE TO
2.10	Details of grants due to Council and evidence that they have been received?	✓		SEE GRANT ACCOUNT
2.11	Details of any rents due to Council and evidence they have been received?	✓		FROM WARWICK DC IN '2001
2.12	Evidence of in-house checks by Councillors? Minuted? Inc physical count of petty cash by Cllr.	✓		
2.13	Equal Opportunities policy adopted?	✓		
2.14	RFO appointed?		✓	
2.15	List of member interests held?	✓		
2.16	Minuting of Declarations of members interests? Is it recorded if leave meeting due to DPI?	✓		
2.17	Agendas signed, informative and displayed with 3 clear days notice	✓		

2.18	Evidence that apologies are minuted	✓		ON SIGNING SHEETS
2.19	Purchase orders raised for all expenditure?		✓	
2.20	Purchasing authority defined in FRs?	✓		
2.21	Legal powers identified in minutes and/or cashbook?	✓		REFERENCED IN MINUTES
2.22	Committee terms of reference exist and have been reviewed?	✓		
2.23	Conformity to Transparency Code?	✓		NOT REALLY TESTED

	3. Risk Management			
3.1	Does scan of minutes reveal any unusual activity?	✓		NEW CLERK IMPROVED PRESENTATION
3.2	Annual risk assessment carried out? Risk management policy?	✓		NOT SIGNED OR DATED
3.3	Copy of Health and Safety Policy? Including Lone Working Policy and Working from Home Policy where appropriate	✓		
3.4	Insurance cover appropriate and adequate? Renewal Schedule?	✓		
3.5	Evidence of annual insurance review? Minuted?	✓		
3.6	Evidence that safety of Council Investments (inc. Bank Accounts) has been reviewed and considered safe? Minuted?	✓		
3.7	Internal financial controls documented and evidenced?	✓		
3.8	Minutes initialed, each page identified and overall signed? Full Council and all committees.	✓		BY CHAIRMAN
3.9	Regular reporting and minuting of bank balance? Include authorisation of any Direct Debits	✓		
3.10	S137 expenditure minuted?	✓		
3.11	Risk assessments – inspection of playground equipment; also trees on open ground / village greens	✓		ONGOING WEEKLY INSPECTION
3.12	Evidence of a disaster recovery plan or business continuity plan?		✓	
	4. Budget			
4.1	Annual budget to support precept?	✓		
4.2	Budget preparation papers should indicate a contingency; projected reserves and objectives for the reserves?	✓		
4.3	Has budget been discussed and adopted by council?	✓		
4.4	Any reserves earmarked?	✓		FOR COMMUNITY CENTRE AND ELECTIONS
4.5	Any unexplained variances from budget?		✓	
4.6	Precept demand correctly minuted?	✓		
	5. Payroll – Clerk & others			
5.1	Contract of employment? Ensure customised and signed	✓		
5.2	Evidence that contracts have been reviewed during the year? Minuted?	✓		
5.3	Tax code issued?	✓		TO NEW CLERK
5.4	HMRC PAYE / NI evidence? 1/4ly returns	✓		
5.5	Has council approved salary paid?	✓		

5.6	Other payments reasonable and approved by council?	✓		
5.7	Does council have Employer's liability insurance cover?	✓		
5.8	Compliance with minimum wage requirements?	✓		
5.9	Grievance and disciplinary procedure in place?	✓		
	6. Asset Control			
6.1	Does council keep a register of all material assets owned?	✓		
6.2	Is asset register up to date?	✓		
6.3	Value of individual assets included?	✓		
6.4	Inspected for risk and up to date inspection records exist		✓	
6.5	Record of deeds, articles and land register references available?		✓	
	7. Bank Reconciliations			
7.1	Is there a bank reconciliation for each account? Inspect Chequebook stubs.	✓		CHEQUEBOOK STUBS ARE A WEAK AUDIT TRAIL
7.2	Reconciliation carried out on receipt of bank statement? Evidence of review of reconciliation by Councillor? Minuted?	✓		
7.3	Any unexplained balancing entries in any reconciliation?		✓	
	8. Year End Procedures			
8.1	Year end accounts prepared on correct accounting basis?	✓		
8.2	Evidence that cash book has been checked by Cllr.? Minuted?	✓		BUT IS NOT MINUTED
8.3	Bank statements and ledger reconcile? Evidence of check by Cllr.? Minuted?	✓		BUT NOT MINUTED
8.4	Underlying financial trail from records to presented accounts?	✓		
8.5	Where appropriate, debtors and creditors properly recorded?		✓	NOT APPROPRIATE
8.6	Has council agreed, signed and minuted sections 1 & 2 of the annual return?	✓		
8.7	Previous Internal Audit – has action been taken where recommended?		✓	NONE RECOMMENDED
8.8	Previous External Audit (if applicable) – has action been taken where recommended		✓	NONE RECOMMENDED
	9. Miscellaneous			
9.1	Have points raised at the last audit been addressed?		✓	NONE RAISED
9.2	Has the council adopted a Code of Conduct since July 2012? Minuted?		✓	
9.3	Is eligibility for General Power of Competence properly evidenced?		✓	
9.4	Are all electronic files backed up?	✓		
9.5	Do arrangements for public inspection of council's records exist?	✓		WEBSITE PROVIDES PUBLIC ACCESS TO MINUTES
9.6	Evidence of current registration with ICO Fee required from June 2018 or at end of current registration period		✓	
9.7	Is Council a Managing Trustee? If so are accounts properly maintained?		✓	
9.8	Does the Council have a Burial Ground? If so provide evidence that proper records are being kept		✓	
9.9	Evidence of compliance with GDPR or progress towards it?		✓	
9.1	Evidence of a Social media Policy including			

0	use outside of meetings (in light of GDPR)		✓	
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Re. 1.5: Schedule of payments: six payments selected at random

Check no.	1	2	3	4	5	6
Ledger date	26.6.17	?	1.5.17	31.10.17	1.9.17	1.9.17
Item / Budget heading	FENCING	GROUND CLEARANCE	VERGE REPAIR	ZIP WIRE	N'HOOD PLAN	NEWS LETTER
Ref/cheque no	1691	1678	1678	1696	1689	1685
Order minute ref	AUGUST ACCEPTED	ACCEPTED	JULY ACCEPTED	APPROVED	ACCEPTED	AUTHORISED
Delivery evidence	NONE	NONE	NONE	NONE	PUBLISHED DOC.	PUBLICATION
Payment minute ref	289 295	473	473	484	545	19326
Invoice value	447.85 3574.80	190.00 640.00	190.00 640.00	175.00 605.00	1850.00	150.00
Minute value	2134.80	225.00	175.00	175.00	1850.00	150.00
Cheque/bank payment schedule value	✓	✓	✓	✓	✓	✓
Statement value	✓	✓	✓	✓	✓	✓
Timely payment	Y	Y	Y	Y	Y	Y
VAT recorded	595.80	NIL	NIL	NIL	370.00	NIL
S137 recorded in ledger	Y	Y	Y	Y	Y	Y
S137 minuted	N	N	N	N	Y	Y
Notes	JOHNSON	PHOENIX	PHOENIX	PHOENIX	KIRKWELLS	THINK

Contact details

Name authority: BUDBROOKE of PARISH COUNCIL smaller

County Area (local councils and parish meetings only): WARWICKSHIRE

Please complete this form and send it back to us with the AGAR or exemption certificate

	Clerk/RFO (Main contact)	Chair
Name	Simone Bush	Mike Dutton
Address	17 HICKS CLOSE WARWICK CV34 5ND	2 THE WARWICKS HAMPHON MAGNA CV35 8TF
Daytime telephone number	07708 177206	01926 493985
Mobile telephone number	07708 177206	01926 493985
Email address	budbrookepc@gmail.com	curmicedutton@gmail.com budbrookepc.org.uk