

Internal Audit Report

(to be read in conjunction with Section 4 of the Annual Governance and Accountability Return)

Name of council:	Flore Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	10.04.18
Year ending:	31 March 2018	Date audit carried out:	10.04.18

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. It is important to note that managing the council's internal controls is a day-to-day function of the council through its staff and councillors and it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the council in order to detect error or fraud. This report is based on the evidence made available to and seen by me.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:

I met with Sue Halkett, Clerk and RFO on 10 April to carry out the year-end audit of the Council; I would take this opportunity to thank Sue for her time and assistance. Last year, BDO as External Auditor again raised no audit issues, which is to the Council's credit. I identified one issue relating to the setting of a deficit budget, without explanation of the *rationale* for doing so. The Council has responded positively and referred the issue to the Finance Advisory Group but the Minutes of that Group, or indeed the Budget are not (currently) published on the website. I note that the Council, again set a deficit budget this year and I therefore repeat the observation.

Notwithstanding that, the Council is self-evidently an effective team, well organised and with sound policies and procedures in place to successfully deliver its activities and responsibilities. By examination of hard evidence and questioning, I tested all the Internal Control Objectives that I am required to consider and I am satisfied that in all significant respects, the objectives have been met. To that end, I have completed the Internal Audit Report at page 3 of the Annual Governance and Accountability Return.

John Marshall, CiLCA
Internal Auditor to the Council
07505 139832
wjm.marshall1@gmail.com

The figures submitted in the Annual Return are:

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	28,103	29,645
2. Annual precept	29,000	30,250
3. Total other receipts	3,932	3,189
4. Staff costs	7,608	10,180
5. Loan interest/capital repayments	0	0
6. Total other payments	23,782	29,025
7. Balances carried forward	29,645	23,879
8. Total cash and investments	29,645	23,879
9. Total fixed assets and long term assets	107,377	107,571
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

https://www.pkf-littlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf

Flore Parish Council

Notice of conclusion of audit

Annual Governance & Accountability Return for the year ended 31 March 2018

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

<p>1. The audit of accounts for Flore Parish Council for the year ended 31 March 2018 has been completed and the accounts have been published.</p> <p>2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of Flore Parish Council on application to:</p> <p>(a) <u>SUSAN HARKETT CLERK/RFO</u> <u>16 ST MARY'S WAY</u> <u>WEDDON BCC</u> <u>NR7 4GL</u></p> <p>(b) <u>10am - 4pm</u></p> <p>3. Copies will be provided to any person on payment of £ _____ (c) for each copy of the Annual Governance & Accountability Return.</p> <p>Announcement made by: (d) <u>S Harkett</u></p> <p>Date of announcement: (e) <u>16 Sept 2018</u></p>	<p>1. This notice and Sections 1, 2 & 3 of the AGAR must be published by 20 September. This must include publication on the smaller authority's website.</p> <p>2. Insert the name, position and address of the person to whom local government electors should apply to request the AGAR.</p> <p>3. Insert the hours during which request on sight may be viewed.</p> <p>4. Insert a reasonable sum for copying costs.</p> <p>5. Insert the name and position of person placing the notice.</p> <p>6. Insert the date of placing of the notice.</p>
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Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

FLORE 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 the 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:

1374 - 1543 a

dated 16/04/18

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.flore-village.co.uk ADDRESS

Section 2 – Accounting Statements 2017/18 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	28103	29645	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	29000	30250	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	3932	3189	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	7608	10180	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	23782	29025	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	29645	23879	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	29645	23879	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	107377	107571	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	NIL	NIL	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.
	NIL	NIL	

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

 SIR SHAAT JIREED

Date 16/04/18

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

16/04/18

and recorded as minute reference:

1374-15436 REFERENCE

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

FLORE 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

PKF LITTLEJOHNIAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

*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)