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ANNUAL REPORT

1 APRIL 2016 – 31 MARCH 2017

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Colin Broucke

Chairman

Steering Group committee

David Austin

Member

Chairman of Steering Group committee

Pamela Williams

Member

Steering Group committee

Marcus Grimes

Member

Steering Group committee

Angela Underwood

Member

Steering Group committee

Jonathan Prangnell

Member

Mary Batchelor

Member

Robert Lunn

Steering Group committee

Crispin Blazeby

Steering Group committee

Derek Linford

Steering Group committee

Mike Clarke

Steering Group committee

Luke Austin

Steering Group committee

WOODMANCOTE PARISH COUNCIL--RECONCILED ACCOUNTS SUMMARY AS AT 31 MARCH 2017

	DEBIT	CREDIT
B/FWD (31 March 2015)		2,285.65
HDC--Precept		8,100.00
WSCC--Clerk's Salary refunds		
Environmental Cleansing Grant		984.50
Grants		63.00
VAT Return		2,088.33
Donations (canx chq)		100.00
Neighbourhood Plan		10.00
Professional fees	343.50	
Neighbourhood Plan	2,662.50	
Neighbourhood Plan Secretarial Services	80.00	
Neighbourhood Plan Reimbursable Expenses	18.00	
Subscriptions (HALC, NALC, etc.)	207.66	
IT & Internet	140.00	
Printing and Stationery	105.00	
Insurance	302.08	
Clerk's Salary	3,650.04	
Clerk's reimbursable expenses	87.23	
Transfers to Barclays Active Savers A/C		
Administrative Fees	80.52	
Parish Hall	132.50	
Maintenance & Repairs	3,541.00	
Charitable Donations	100.00	
Other fees		
VAT	1,167.72	
TOTAL	£12,617.75	£13,631.48
[1]	£1,013.73	
TRIAL BALANCE CHECK--->	£13,631.48	£13,631.48
Balance per bank statement 31/3/17	£1,028.73	
Less: Outstanding cheques	-£15.00	
Barclays Current A/C [1]	£1,013.73	
Balance of reserves	£17,663.00	
Plus: Interest earned from 31/12/16-30/12/17	£64.82	
Barclays Active Saver A/C [2]	£17,727.82	
Total available funds at Barclays Bank [1+2]	£18,741.55	

WOODMANCOTE PARISH COUNCIL
BANK ACCOUNTS: BARCLAYS

Date	Supplier / detail	Chq no Ref	Expense code	VAT code	Total	RUNNING BALANCE
			0 or 1 or 2			
31-Mar-16	Enter VAT only if VAT registered				b/fwd	2,285.65
12-Apr-16	Henfield Haven--CANCELLED CHEQUE--incorrectly completed	100134	14		100.00	2,385.65
12-Apr-16	WSCC--Clerk's salary (March)	100136	7		(304.17)	2,081.48
12-Apr-16	WSALC--Subscriptions 2016-17	100137	4		(157.66)	1,923.82
12-Apr-16	Vision ICT--Website hosting & support	100138	5	1	(168.00)	1,755.82
15-Apr-16	P Mitchell--NP printing costs		1		10.00	1,765.82
18-Apr-16	HMRC--VAT reimbursement		20		2,088.33	3,854.15
12-Apr-16	HSECIC (Haven)--S137 donation	100139	14		(100.00)	3,754.15
29-Apr-16	HDC--Precept		2		4,050.00	7,804.15
29-Apr-16	HDC--Grant		19		31.50	7,835.65
10-May-16	WSCC--Clerk's salary (April)	100140	7		(304.17)	7,531.48
10-May-16	L Bannister--Expenses	100141	8		(29.64)	7,501.84
10-May-16	L Bannister--NP Expenses	100141	18		(18.00)	7,483.84
23-May-16	HDC--Environmental Cleansing Grant		16		492.25	7,976.09
14-Jun-16	WSCC--Clerk's salary (May)	100142	7		(304.17)	7,671.92
14-Jun-16	Zurich Municipal	100143	6		(302.08)	7,369.84
14-Jun-16	AirS--Final invoice NP services	100144	1	1	(3,195.00)	4,174.84
14-Jun-16	Woodmancote & Blackstone Parish Hall--Room hire Jan-April	100145	11		(84.50)	4,090.34
14-Jun-16	Mulberry & Co--Internal audit	100146	3	1	(106.20)	3,984.14
14-Jun-16	HALC--Annual subscription	100147	4		(15.00)	3,969.14
12-Jul-16	WSCC--Clerk's salary (June)	100148	7		(304.17)	3,664.97
12-Jul-16	SSALC Ltd--New cllr training 23rd June	100149	3	1	(60.00)	3,604.97
09-Aug-16	WSCC--Clerk's salary & NP sec services (July)	100150	7		(384.17)	3,220.80
09-Aug-16	ICO--Annual subscription	100151	4		(35.00)	3,185.80
09-Aug-16	WSCC--Payroll administration 1/4/16-30/9/16	100152	10		(43.92)	3,141.88
13-Sep-16	WSCC--Clerk's salary (August)	100153	7		(304.17)	2,837.71
13-Sep-16	SSALC Ltd--New cllr training 23rd June	100154	3	1	(6.00)	2,831.71
26-Sep-16	HDC--Environmental Cleansing Grant		16		492.25	3,323.96
30-Sep-16	HDC--Precept		2		4,050.00	7,373.96
30-Sep-16	HDC--Grant		19		31.50	7,405.46
11-Oct-16	WSCC--Clerk's salary (September)	100155	7		(304.17)	7,101.29
11-Oct-16	PKF Littlejohn--External audit	100156	3	1	(240.00)	6,861.29
08-Nov-16	WSCC--Clerk's salary (October)	100157	7		(304.17)	6,557.12
13-Dec-16	WSCC--Clerk's salary (November)	100158	7		(304.17)	6,252.95
13-Dec-16	C Broucke--printing expenses	100159	15		(15.00)	6,237.95
13-Dec-16	M Grimes--printing expenses	100160	15		(15.00)	6,222.95

13-Dec-16	D Austin--printing expenses	100161	15		(15.00)	6,207.95
13-Dec-16	J Prangnell--printing expenses	100162	15		(15.00)	6,192.95
13-Dec-16	P Williams--printing expenses	100163	15		(15.00)	6,177.95
13-Dec-16	A Underwood--printing expenses	100164	15		(15.00)	6,162.95
13-Dec-16	M Batchelor--printing expenses	100165	15		(15.00)	6,147.95
10-Jan-17	WSCC--Clerk's salary (December)	100166	7		(304.17)	5,843.78
10-Jan-17	Woodmancote & Blackstone Parish Hall--Room hire May to Dec	100167	11		(48.00)	5,795.78
14-Feb-17	WSCC--Clerk's salary (January)	100168	7		(304.17)	5,491.61
14-Feb-17	L Bannister--Expenses	100169	8		(57.59)	5,434.02
14-Feb-17	Balfour Beatty--Operation Watershed Furners Lane	100170	12	1	(3,187.20)	2,246.82
14-Feb-17	WSCC--payroll administration 1/10/16-31/3/17	100171	10	1	(43.92)	2,202.90
14-Mar-17	WSCC--Clerk's salary (February)	100172	7		(304.17)	1,898.73
14-Mar-17	Alderbrook Property Maintenance--Parish maintenance	100173	12		(885.00)	1,013.73

WOODMANCOTE PARISH COUNCIL--YTD EXPENDITURE VS BUDGET

	BUDGET 2015-16	YTD Expenditure	BUDGET 2016-17	BUDGET 2017-18
Clerk	3,851.00	3,650.04	3,960.00	4,322.00
Office	400.00	192.23	400.00	200.00
Insurance	600.00	302.08	400.00	400.00
Accountant	200.00	343.50	200.00	350.00
Hall Hire	160.00	132.50	160.00	170.00
Web	180.00	140.00	150.00	150.00
Memberships	208.00	207.66	210.00	215.00
S137 Donations	150.00	100.00	150.00	150.00
Admin Fees	90.00	80.52	180.00	180.00
Neighbourhood Plan	5,750.00	2,662.50	1,300.00 a	0.00
NP reimbursable expenses	400.00	18.00	400.00	0.00
NP clerk costs	200.00	80.00	300.00	0.00
Training	600.00		150.00	450.00
Contingencies	120.00	3,541.00	120.00	120.00
Legal	550.00	0.00	100.00	100.00
VAT	1,336.00	1,167.72	0.00	0.00
Enviro Cleansing Grant	0.00			0.00
VAS				1,000.00
TOTAL	<u>£14,795.00</u>	<u>£12,617.75</u>	<u>£8,180.00</u>	<u>£7,807.00</u>

NOTES

a The final 10% of the AirS fee

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Legal	550.00	0.00	100.00	100.00
VAT	1,336.00	1,167.72	0.00	0.00
Enviro Cleansing Grant	0.00			0.00
VAS				1,000.00
TOTAL	<u>£14,795.00</u>	<u>£12,617.75</u>	<u>£8,180.00</u>	<u>£7,807.00</u>

NOTES

a The final 10% of the AirS fee

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

WOODMANCOTE PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including 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 2017, that:

	Agreed		'Yes' means that this smaller 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 smaller authority to conduct its business or on 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 smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has 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 smaller 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	NA
			✓
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by this smaller authority on:

13/06/2017

and recorded as minute reference:

100.3.a

Signed by Chair at meeting where approval is given:

[Signature]

Clerk:

[Signature]

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

Section 2 – Accounting statements 2016/17 for

Enter name of
smaller authority here:

WOODMANCOTE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	12945	19949	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	7900	8100	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	7995	3311	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	4532	3916	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	—	—	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	14359	8702	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	19949	18742	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	19949	18742	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	7815	7816	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	—	—	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 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

W. H. H.

Date

31/05/2017

I confirm that these accounting statements were approved by this smaller authority on:

13/06/2017

and recorded as minute reference:

100.3.b

Signed by Chair at meeting where approval is given:

C. A. S.

WOODMANCOTE PARISH COUNCIL
ASSET REGISTER

Description	Location	Owner	Date of acquisition	Cost value per Annual Return	Present use	Insurance value
Bus shelter	On A281 before Horn Lane	Parish Council	UNKNOWN	£6,488.00	Bus shelter	£5,394.37
Wooden bus shelter	A281 opposite Parish Hall	Parish Council	May-08	£1,326.00	Bus shelter	£1,644.20
Salt bins x 3	Bramlands Lane, Blackstone Lane & A281		2014	£1.00	Salt containers	£750.00

TOTAL				£7,815.00		£7,788.57
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Woodmancote Parish Council

Internal Audit

Year Ended 31st March 2017



Prepared by: Mulberry & Co
Date of Interim Visit: N/A
Date of Final Visit: 31st May 2017

Law and Regulation Regarding Internal audit

Regulation 6 of the Accounts and Audit Regulations 2015 imposes a duty on local councils to ‘maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control. Internal audit is a key component of the system of internal control.

The purpose of internal audit is to review and report to the council whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s role is to assist the council in fulfilling its responsibility to have and maintain proper internal control arrangements and those for the prevention and detection of fraud, error or mistakes

All internal audit work must be reported to the council. Any report by internal audit is addressed to the council, may recommend actions to be taken by the council, and should be treated as a document open to view by local taxpayers.

Two pieces of legislation set out how local councils should behave when accounting for the public funds they manage and what rights local taxpayers have in relation to those accounts. These are the **Audit Commission Act 1998** and the **Accounts and Audit Regulations issued from time to time under the Act**. The requirement for local councils to prepare accounts annually and to subject them to external audit comes from the Audit Commission Act 1998 (the Act). The Act describes the rights of taxpayers and other interested parties in relation to those accounts.

Under the regulations, all local councils must at least once a year conduct in accordance with proper practices a review of the effectiveness of their system of internal control and publicly report the outcome. The Annual Governance Statement in Section 2 of the annual return provides the means for local councils to report to local taxpayers on their system of internal control.

This report is prepared for the council and proper officers of the council named above, for use in fulfilling their obligations under the Audit Commission Act 1998 and the Accounts and Audit Regulations issued from time to time under the Act for preparing the Annual Return and reviewing the effectiveness of their system of internal controls. Mulberry and Co accept no responsibility for any action or inaction taken as a result of the findings of this report and accept no responsibility to any other party other than those named above.

No part of this material may be reproduced in any form without the prior permission of Mulberry & Co.

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Summary Findings

I enclose my report for your kind attention and presentation to the council. I am pleased to report that overall the systems and procedures you have in place are entirely fit for purpose. My audit was conducted in accordance with current practices and guidelines and testing was conducted in line with the inherent risks assessment.

Whilst I have not tested all transactions, my sample has where appropriate has covered the entire year to date. Amongst others the following areas were covered in my testing: -

- Review of the Financial Regulations & Standing orders
- Review of the Risk Assessments
- Review of the Budgeting process
- Proper Bookkeeping – review of the use of the Excel package.
- Review of Income
- Review of Salaries
- Review of Fixed Assets
- Review of income
- Review of annual accounts

The accounts have been correctly prepared on the receipts and payments basis and the annual return contains the correct comparative and opening balances. The annual return agrees to the underlying financial statements and documentation.

I am of the opinion that the annual return is a true and fair reflection of the financial statements of that of the council for the year ended 31st March 2017, and accordingly I have signed off the annual return

A. BOOKS OF ACCOUNT

The clerk and RFO has used a version of excel to record the day to day transactions of that of the council. It is clear the clerk and RFO has worked hard to complete and reconcile the year end in accordance with regulations, the entries are clearly presented and enable the reader to gain an understanding of the nature and scope of the transactions.

I have reviewed the cashbook for the period April to March 2017 there were no amendments or cancellations. The system is tried and tested and entirely fit for purpose for a council of this size and the limited number of transactions lends itself to the use of a simple cashbook and I make no recommendation to change at this time.

B. FINANCIAL REGULATIONS

The councils NALC model standing orders were adopted by council and last reviewed in May 2016. These are current and are being followed.

The councils NALC model financial regulations were adopted by council and last reviewed in May 2016. A review of a sample of the regulations has shown that council is following its own procedures.

I have noted from the minutes that apologies whist noted are neither accepted nor rejected, I suggest the minutes in future note this detail.

The council has £8,702, (2016: £14,359) of other payments. The cashbooks were agreed to the signed minutes and payments listings.

I am of the opinion that other payments are correctly shown on the annual return

Payment procedures, including invoice authorisation and cheque signing are satisfactory;

C. RISK MANAGEMENT & INSURANCE

Risks assessments is a tabular format with risks listed and actions required. This is satisfactory for a council of this size.

The council has policies in place – I recommend that council review the minimum policies list with a view to implementation of any missing policies during 2017/18.

Council insured by Zurich on a standard local authority package. The money and assets cover appears adequate.

D. BUDGET & PRECEPT

The council has £18,742 (2016: £19,949) of reserves, of which circa £10k is earmarked leaving £8k as general. At a precept level of £8k, this would be considered high. Council must consider, earmark and the spend its reserves. The council has no power to accumulate general reserves and a reduction in precept would not necessarily benefit the community nor provide additional services.

I am of the opinion that reserves are high.

E. INCOME

The council has £8,100 (2016: £7,900) of precept income. This was tested to third party evidence there were no errors.

The council has £3,311 (2016: £17,995) of other income, this comprises, VAT refunds and grants and this was tested to third party evidence were applicable – there were no errors.

I am of the opinion that income is correctly shown on the annual return.

F. PETTY CASH

None

G. PAYROLL

The council has £3,916 (2016: £4,532) of staff costs – this was reconcilable to the salary of the clerk. There are no councillor allowances. Payments are approved by council in the usual manner and minuted.

I am of the opinion that staff costs are correctly shown on the annual return.

H. ASSETS AND INVESTMENTS

The council has £7,815 (2016: £7,816) of fixed assets. There has been one addition in year of a gateway for £1. The assets are shown at cost and proxy cost in a simple list. The register also shows insurance value which is relatable to the insurance schedule.

I. BANK RECONCILIATIONS

The council has £18,742 (2016: £19,949) of bank and cash balances carried forward. The council has two bank accounts and no petty cash. The bank reconciliation as a 31st March 2017 was verified in detail – there were no errors.

I am of the opinion that bank balances are correctly shown on the annual return.

J. YEAR END ACCOUNTS

It is clear the clerk has worked hard to complete and reconcile the year end in accordance with regulations, the entries are clearly presented and enable the reader to gain an understanding of the nature and scope of the transactions. The limited number of transactions lends itself to the use of a simple cashbook and I make no recommendation to change at this time.

I am of the opinion the annual return has been prepared correctly and is ready for submission to full council the external auditor.

K. TRUSTEESHIP

N/A

Mark Mulberry
Internal Auditor
31st May 2017

Points Forward – Action Plan

Point Forward / Action needed	Auditor notes	Council response
Other		
Reserves	Councils reserves are consider excessive	
Minutes	I recommend that apologies are either accepted or rejected as appropriate in the minutes	
Policies	I recommend that the council review the minimum required list of policies and adopt as appropriate during the 2017/18 council year.	

Overview of Council

	Work Task	Schedule Ref	Notes/Results
Terms of Engagement			
1	Review terms of engagement letter and confirm appropriate to this year		New engagement letter issued Engagement letter is kept on the correspondence file.
2	Confirm that the professional independence and competence questionnaire has been completed and agreed with the client	1.2	Yes – confirmed and attached
3	Complete Budget	1.3	Completed & Agreed with Client
4	Complete Timetable	1.4	Completed & Agreed with Client
Planning Notes – Understanding the Town & Parish Council			
	Number of electors and size of precept		Precept £9k Electors 550
	Key personnel		Leanne Bannister Clerk and RFO
	Type of financial accounting in place i.e. Manual books, computerised system		Excel Accounts system – Risk assessment – manual system
	Does the council carry out an annual risk assessment, and is it documented.		Yes. This is reviewed as a minimum annually.
	Does the council have a good control environment (evidence of internal reviews and counter signing of cheques etc)		Yes
	Any significant changes since prior year (staff or procedures)		None
	Any there any matters arising from last year's audit and/or management letter		None
	Payroll		External
	Petty Cash		none

Professional Independence and Competence Questionnaire

The internal audit function must be sufficiently independent from the management of financial controls and procedures of the council which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the council.

There are two key principles, which all local councils must follow in setting up their internal audit function, regardless of how procured: **independence and competence**.

INDEPENDENCE	
Do you have any specific reliance on the fee to be earned from this assignment	No
Overdue fees	
Does the client/group of clients owe the firm any money which exceeds our normal credit terms?	No
Litigation	
Is there any actual or anticipated litigation between us and the client in relation to fees, audit work or other work?	No
Associated firms	
Are you or your staff associated with any other practice or organisation which has had any dealings with the client council?	No
Family or other personal relationships	
Do you or any of your staff have personal or family connections with the council or its officers?	No
Mutual business interest	
Do you or any of your staff have any mutual business interests with the client or with an officer or employee of the client?	No
Financial involvement	
Do you or your staff, or anyone closely related to you or any of your staff, have any financial involvement in the client in respect of the following:	
Any beneficial interest in shares or other investments?	No
Any loans or guarantees?	No
Goods and services: hospitality	
Have you or any of your staff accepted materials, goods or services on favourable terms or received undue hospitality from the council?	No
Ex-partners or senior staff	
Has any senior officer of the council been a partner or senior employee of the practice?	No
Is the partner or any senior employee on the audit team in negotiations to join the client?	No
Long association	
Have you been acting for more than 10 years? If yes, then consider rotation/engagement quality review.	No
Provision of other services	
Do we provide any of the following services to the client:-	
Accounting services, book-keeping or payroll services	No
Staff secondments	No

IT services where we are involved in the design, provision or implementation of systems	No
Specialist valuations which are included in the accounts	No
Tax compliance work or tax planning	No
Corporate finance activities	No
Any advocacy services e.g. Tax commissioner hearings	No
Any services relating to the management of the council	No
Any other services that may cause a threat to the firm's objectivity or independence	No
Where any of the above have been answered 'yes', then specify below what safeguards are proposed to maintain integrity and independence:-	
Competence	
Consider the following matters prior to deciding to accept appointment/re-appointment as auditors:	
Are there any particular challenges and risks associated with this client?	No
Do we have sufficient expertise available to undertake this audit engagement?	Yes
Are there sufficient resources available to undertake this audit engagement?	Yes
Having regard to the safeguards identified, I am satisfied that we are independent and competent to perform this audit.	

Budget

		Hours
Planning & Systems Work	Interim Visit	1
File Review and reporting	Interim Visit	1
Financial Procedures	Final Visit	
File review	Final Visit	
Total Budget Hours		2
Hourly Rate		£50
Time Cost		£100
Other costs	Mileage	£30
Total Budgeted Cost		£130
Total Budgeted Fee		£150

Timetable

May/June 2017	Final Audit work
May/June 2017	Issue Audit Report & Letter

Inherent Risk Assessment

Based on the above findings and discussions with council it is my opinion that the inherent risk within the systems of the council is categorised as follows

Work Task	notes	
Are standing orders and financial regulations regularly reviewed	Yes these were on site and were current and reference to a minute	Low Risk
Is council following its written Financial regulations & standing orders	Yes	Low Risk
Does the council have risk assessments in place and are theses reviewed at least annually	Yes	Low Risk
Does the council have a council or working party responsible for internal checking	Yes	Low Risk
Is there evidence of hierarchical review (counter signing bank rec, invoices etc)	Yes	Low Risk
Is there regular reporting against budget?	Yes	Low Risk
Are books and records maintained on a regular basis	Yes	Low Risk
Is the clerk under time pressure	No	Low Risk
Are there complicated transactions?	No complicated transactions	Low Risk
Any changes to key staff	No	Low Risk
Any changes in systems or procedures	No	Low Risk
Is all info on site and to hand?	All info on site and to hand	Low Risk
Any problems in the past	No problems in past	Low Risk
Are there any other factors to consider?	Records neat and tidy	Low Risk

Conclusion & Opinion

The system in place is robust and entirely fit for purpose for a Parish Council of this size. There are good internal controls, policies and procedures in place which are reviewed on an annual basis.

I am of the opinion that the inherent risk in the system is low and would recommend a sample size of 10 when testing in detail and would also state that the internal controls can be relied upon.

Specific Audit Plan

Audit Area Section 4 Annual Return	Notes	Risk of error or misstatement	Tests	Ref
Appropriate books of account have been kept properly throughout the year.	EXCEL package in place, limited and uncomplicated transactions	Low	Review transactions in cashbook make verbal enquiries. Test arithmetic.	A
The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Good, simple system - NALC based	Low	Review invoices and reconcile to cash book in detail. Review minutes and cheque books for authorisations	B
The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Risk assessment policy written risk assessments carried out	Low	Review and comment	C
The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	Excel package used	Low	Review minutes for evidence of council discussion of the same	D
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Imited/standard streams of income	Low	Test to precept application and other documentation as appropriate	E
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	none	Low	n/a	F
Salaries to employees and allowances to members were paid in accordance	Externally prepared	Low	Test rates and hours are authorised Test net wages to payments due	G

with council approvals, and PAYE and NI requirements were properly applied.				
Asset and investments registers were complete and accurate and properly maintained.	Fixed asset register in place	Low	Review insurance schedule and cashbook for missing items off the register	H
Periodic and year-end bank account reconciliations were properly carried out.	Regular reconciliations on EXCEL	Low	Test reconciliation in detail	I
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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	Receipts and payments	Low	Test audit trail sufficient for electors rights	J
Trust funds (including charitable) The council met its responsibilities as a trustee.	None	Low		K