

Annual Internal Audit Report 2018/19

KINGS SOMBORNE 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.			N/A NONE H267
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 of 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.	Yes	No	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

Name of person who carried out the internal audit

09/01/19 10/04/19

TIM LIGHT FMAAT

Signature of person who carried out the internal audit

T. J. Reput

Date

10/04/19

*If the response is 'no' you must include a note to 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:

KINGS SOMBORNE 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	No*	"Yes" means that this authority:
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 and describe how the authority will address the weaknesses identified. These sheets should be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

09/05/2019.

and recorded as minute reference:

M 90.1

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

Chairman

Clerk

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

Authority web address

www.kingsborne-pc.gov.uk

Section 2 – Accounting Statements 2018/19 for

KINGS SOMBORNE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	57959	42444	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	33393	36730	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	14323	34662	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	13215	15450	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	50321	60439	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	42444	37947	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	40983	37357	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	244983	256,069	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, as a body corporate, 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 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



Date

09/05/19

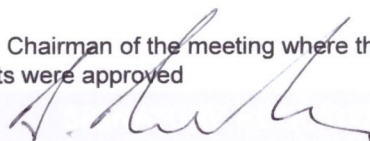
I confirm that these Accounting Statements were approved by this authority on this date:

09/05/19

as recorded in minute reference:

91.1

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



Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It must agree column headed “Year ending 31 March 2019” in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a credit and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative numbers.

Name of smaller authority:

KING'S SOMBORNE PARISH COUNCIL

County area (local councils and parish meetings only):

HAMPSHIRE

Financial year ending 31 March 2019

Prepared by (Name and Role):

GAIL FOSTER - CLERK

Date:

10/04/2019

		£	£
Balance per bank statements as at 31/3/19:			
	account 1	37,357	
	account 2	-	
	account 3	-	
	account 4	-	
[add more accounts if necessary]	account 5	-	
	account 6	-	
	account 7	-	
	account 8	-	
			37,357
Petty cash float (if applicable)			-
Less: any unpresented cheques as at 31/3/19 (enter these as negative numbers)			
	item 1	-	
	item 2	-	
	item 3	-	
	item 4	-	
[add more lines if necessary]	item 5	-	
	item 6	-	
	item 7	-	
	item 8	-	
			-
Add: any un-banked cash as at 31/3/19			
		-	
		-	
		-	
			-
Net balances as at 31/3/19 (Box 8)			37,357

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

KING'S SOMBORNE PARISH COUNCIL

County area (local councils and parish meetings only):

HAMPSHIRE

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

		£	£
Box 7: Balances carried forward			37,947.00
Deduct: Debtors (enter these as negative numbers)			
VAT RECOVERABLE		(1,040.00)	
	2		
	3		
		(1,040.00)	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)			
AUDIT FEES		450.00	
	2		
		450.00	
Total deductions			(590.00)
Add:			
Creditors (must not include community infrastructure levy (CIL) receipts)			
	1		
	2		
		-	
Add:			
Receipts in advance (must not include deferred grants/loans received)			
	1		
	2		
		-	
Total additions			-
Box 8: Total cash and short term investments			37,357.00

Explanation of variances – pro forma

Name of smaller authority: **KING'S SOMBORNE PARISH COUNCIL**

County area (local councils and): **HAMPSHIRE**

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 15% 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?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	57,959	42,444				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	33,698	36,730	3,032	9.00%	NO		
3 Total Other Receipts	14,323	34,662	20,339	142.00%	YES	20,339	Grant donations+New Community building grants+VAT+Burial board-misc income-interest received
4 Staff Costs	13,215	15,450	2,235	16.91%	YES	2235	Clerk increased pay scale and new clerk training and double wages for 2 months.
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	50,321	60,439	10,118	20.11%	YES	10118	Community Service-play equipment-Fields in Trust land transfer +office expenses+subs+audit +vat - paid-misc+insurance+burial board-grant aid+community building
7 Balances Carried Forward	42,444	37,947			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	40,983	37,357				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	244,983	256,069	11,086	4.53%	NO		
10 Total Borrowings			0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable