

# Annual Internal Audit Report 2017/18

SANDWICH 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.	✓		
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.			✓ <i>No Petty Cash.</i>
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.	✓		
<b>K. (For local councils only)</b>			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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: 02.06.2018 Name of person who carried out the internal audit: BRIAN OF WOOD (INTERNAL AUDITOR)

Signature of person who carried out the internal audit: [Signature] Date: 02.06.2018

\*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).

# INTERNAL AUDIT CHECKLIST FOR SAWLEY PARISH COUNCIL FOR THE YEAR ENDING 31st MARCH 2018

Further to the Internal Audit of Accounts I carried out on 2<sup>nd</sup> June 2018 I confirm that the annual audit was carried out in accordance with the suggested approach contained in the "Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements - March 2018" and Page 3 of the 2017/18 Annual Return has been signed off accordingly.

Signed Brian Wood DMA

Date 2<sup>nd</sup> June 2018

1. Book Keeping			Comments
1.1	Ledger maintained and up to date?	Yes	
1.2	Arithmetic correct?	Yes	
1.3	Evidence of Internal Control?	Yes	
1.4	VAT evidence, recording and reclaimed?	Yes	
1.5	Payments in ledger supported by invoices, authorised and minuted?	Yes	
1.6	S137 separately recorded and within limits?	Yes	
1.7	S137 expenditure of direct benefit to electorate?	Yes	

2. Due Process			Comments
2.1	Standing Orders adopted since 2010?	Yes	
2.2	Standing Orders reviewed at annual meeting?	Yes	
2.3	Financial Regulations adopted?	Yes	
2.4	FRs properly tailored to council?	Yes	
2.5	Equal Opportunities policy adopted?	Yes	
2.6	RFO appointed?	Yes	
2.7	List of member interests held?	Yes	
2.8	Agendas signed, informative and displayed with 3 clear days' notice	Yes	
2.9	Purchase orders raised for all expenditure?	Yes	E Mail or telephone call as appropriate
2.10	Purchasing authority defined in FRs?	Yes	Clerk Delegation £100
2.11	Legal powers identified in minutes and/or cashbook?	Yes	
2.12	Committee terms of reference exist and have been reviewed?	N/A	

<b>3. Risk Management</b>			<b>Comments</b>
3.1	Does scan of minutes reveal any unusual activity?	No	
3.2	Annual risk assessment carried out?	Yes	
3.3	Insurance cover appropriate and adequate?	Yes	
3.4	Evidence of annual insurance review?	Yes	
3.5	Internal financial controls documented and evidenced?	Yes	
3.6	Minutes initialled, each page identified and overall signed?	Yes	
3.7	Regular reporting and minuting of bank balance?	Yes	
3.8	S137 expenditure minuted?	Yes	

<b>4. Budget</b>			<b>Comments</b>
4.1	Annual budget to support precept?	Yes	
4.2	Has budget been discussed and adopted by council?	Yes	
4.3	Any reserves earmarked?	No	
4.4	Any unexplained variances from budget?	No	
4.5	Precept demand correctly minuted?	Yes	

<b>5. Payroll – Clerk</b>			<b>Comments</b>
5.1	Contract of employment?	Yes	
5.2	Tax code issued / contracted out?	Yes	
5.3	PAYE / NI evidence?	Yes	
5.4	Has council approved salary paid?	Yes	
5.5	Other payments reasonable and approved by council?	Yes	

<b>6. Payroll – Other</b>			<b>Comments</b>
6.1	Contract of employment?	Yes	
6.2	Does council have public liability cover?	Yes	
6.3	Tax code(s) issued?	Yes	
6.4	Minimum wage paid?	Yes	
6.5	Complaints procedure in place?	Yes	

<b>7. Asset Control</b>			<b>Comments</b>
7.1	Does council keep a register of all material assets owned?	Yes	
7.2	Is asset register up to date?	Yes	
7.3	Value of individual assets included?	Yes	
7.4	Inspected for risk and H & S	Yes	

<b>8. Bank Reconciliations</b>			<b>Comments</b>
8.1	Is there a bank reconciliation for each account?	Yes	
8.2	Reconciliation carried out on receipt of statement?	Yes	
8.3	Any unexpected balancing entries in any reconciliation?	No	

<b>9. Year End Procedures</b>			<b>Comments</b>
9.1	Year-end accounts prepared on correct accounting basis?	Yes	
9.2	Bank statements and ledger reconcile?	Yes	
9.3	Underlying financial trail from records to presented accounts?	Yes	
9.4	Where appropriate, debtors and creditors properly recorded?	Yes	
9.5	Has council agreed, signed and minuted sections 1 & 2 of the annual return?	Yes	

<b>10. Miscellaneous</b>			<b>Comments</b>
10.1	Have points raised at the last audit been addressed?	Yes	
10.2	Has the council adopted a Code of Conduct since July 2012?	Yes	
10.3	Is eligibility for General Power of Competence properly evidenced?	N/A	
10.4	Are all electronic files backed up?	Yes	
10.5	Do arrangements for public inspection of council's records exist?	Yes	

<b>11. Charities</b>			<b>Comments</b>
11.1	Charities reported and accounted separately	N/A	

**The Clerk and/or RFO should certify the accounts before the full council approves them.**

**The Notice for the public inspection period must detail that it is for a single period of 30 working days and must include the first ten days of July (ie 04.06 – 13.7. or 2.7 – 10.8.)**

Check No	Amberol	CES
Ledger date	01.11.2017	13.11.2017
Item/Budget heading	Planters	Remembrance Service
Ref/cheque no.	300102	300117
Payment minute ref	163/17	163/17
Invoice value	£570.84	£330.00
Minute value	£570.84	£330.00
Cheque value	£570.84	£330.00
Statement value	£570.84	£330.00
Timely payment	Yes	Yes
VAT recorded	Yes (£95.14)	£66.00
S137 recorded in ledger	N/A	Yes
S137 minuted	N/A	Yes
Notes		

<b>Annual Return (Page 3)</b>		<b>RESTATED</b>	
		Year ending 31 March 2017	Year ending 31 March 2018
1	Balances brought forward	10176	17048
2	Annual precept	19527	31669
3	Total other receipts	17613	13664
4	Staff costs	5688	6266
5	Loan interest/capital repayments	0	0
6	Total other payments	26718	51231
7	Balances carried forward	14910	4884
8	Total cash and investments	14910	4884
9	Total fixed assets and long term assets	33442	31028
10	Total borrowings	0	0
11	Section 4 annual return figures completed and cross referenced	Yes	Yes

#### NOTE

The Clerk is advised to send appropriate Bank Statements to the External Auditor for the 2018/18 Return because it would appear that the re-stated figures for 2016/17 should have shown a Balance brought forward figure of £17048.

I am satisfied that the income and expenditure statements approved by the Council for 2017/18 are a true reflection of the accounts and the 2017/18 Balance brought forward figure (£17047.97) on the Return £17048 agrees with the Bank Statements.

This page is part of Section 3 - External auditor certificate and opinion 2016/17

Sawley Parish Council

External Auditor Report for the year ended 31 March 2017

**Other matters not affecting our opinion which we wish to draw to the attention of the authority continued**

**Accounting statements 2015-16, Boxes 7 and 8 Imbalance**

This year the Authority have restated Boxes 7 (Balance carried forward) and 8 (Total value of cash and short term investments). This causes an imbalance of £1,636. The Authority have been unable to explain the reason for the change of figures. The change of figures has caused the imbalance to be brought forward to Box 1 (Balance brought forward) for 2017.

When looking over the supporting information provided with the Annual Return, we can see what the corrected figures are for 2017. We have been unable to confirm with the Authority as to why the figures changed.

The corrected figures are:

2015/16

Box 7 – Balance carried forward £10,176

Box 8 – Total value of cash and short term investments £10,176

2016/17

Box 1 – Balance brought forward £10,176

Box 7 – Balance carried forward £14,910

Box 8 – Total value of cash and short term investments £14,910

The Council should restate the 2017 figures on next year's Annual Return and write "Restated" beneath the £ sign on the 2017 column.

Grant Thornton UK LLP

Grant Thornton UK LLP

Date

29 September 2017

Our ref DBY200

## Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

SAWLEY 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:

9/1/18 (6)  
dated 26 June 2018

Signed by the Chairman and Clerk where approval is given:

Chairman

Signed by:

Clerk

SIGNATURE REQUIRED  
AKINGFIELD

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

Authority web address

www.sawleyparishcouncil.org.uk

**Section 2 – Accounting Statements 2017/18 for**

SAWLEY PARISH COUNCIL

\* Please see comments from Internal Auditor Checklist

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward * 10,176		17,048	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 19,527		31,669	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts 17,613		13,664	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 5,688	6266		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 26,718	51,231		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 14,910		4,884	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 17,046	4,884		The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets 33,442	31,028		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.

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

AKaughwold

Date

26 June 2018

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

26 June 2018

and recorded as minute reference:

91/18 (6)

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

SIGNATURE REQUIRED



### Section 3 – External Auditor Report and Certificate 2017/18

In respect of

SAWLEY 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

ENTER NAME OF EXTERNAL 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](http://www.nao.org.uk))

**Explanation of variances – pro forma**

Name Sawley Parish Council smaller authority:

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

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 £)
<b>Box 2</b> Precept or Rates and Levies	19,527	31,669	12,142	62	Precept increased by Parish Council agreed at 60%. see minute 7/18(1)
<b>Box 3</b> Total other receipts	17,613	13,664	3,949	22	2016/17 grant of £12,101 received for car park + spent 17/18 and VAT rebwn 17/18 = £9,660
<b>Box 4</b> Staff costs	5,688	6,266	578	9	Pay increment for clerk 16 £12.161 per hour + 1% pay increase from Apr 17/18 for both clerk + litter picker also 8 hrs pw for clerk part of 16/17 was 6 hrs pw
<b>Box 5</b> Loan interest/ capital repayments	NIL	NIL			
<b>Box 6</b> All other payments	26,718	51,231	24,513	47	Car Park - 23,874 gross - 19,895 net Election 4,448.66 = 24,344
<b>Box 9</b> Total fixed assets & long term investments & assets	33,442	31,028	2,414	7	2016/17 purchased additional Xmas lights
<b>Box 10</b> Total borrowings	NIL	NIL			
<b>Explanation for 'high' reserves</b>	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:				

## Bank reconciliation – pro forma

Name of smaller authority: \_\_\_\_\_

Sawley Parish Council

County area (local councils and parish meetings only): \_\_\_\_\_

Derbyshire

### Financial year ending 31 March 2018

Prepared by \_\_\_\_\_

A KAUFHOLD CLERK

(Name and role)

Date \_\_\_\_\_

26 June 2018

Balance per bank statements as at 31 March 2018:

£

£

17,048    4884

Petty cash float (if applicable)

Less: any un-presented cheques at 31 March 2018

NIL

Add: any un-banked cash at 31 March 2018

Net balances as at 31 March 2018 (Box 8)

***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)

17,048

Add: Receipts in the year

45,333

Less: Payments in the year

57,497

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

4,884

(See [example](#) for guidance if required)



Customer: Sawley Parish Council

Account: 60-83-01 20370972

## Statement 27 from 05 Mar 2018 to 31 Mar 2018

Date	Description	Serial No	Debits	Credits	Balance
05Mar2018	Brought forward balance			3,389.02	3,389.02
13Mar2018	HMRC BARCLAYS BACS			1,390.82	4,779.84
14Mar2018	Cheque	300130	(541.90)		4,237.94
14Mar2018	Cheque	300132	(50.00)		4,187.94
21Mar2018	Cheque	300134	(10.00)		4,177.94
30Mar2018	Cheque	300129	(100.00)		4,077.94
31Mar2018	Service Charge		(18.00)		4,059.94

Page Generated at 14:46 on 13 May 2018



Customer: Sawley Parish Council

Account: 60-83-01 20370985

**Statement 21 from 01 Mar 2018 to 31 Mar 2018**

Date	Description	Serial No	Debits	Credits	Balance
01Mar2018	Brought forward balance			822.69	822.69
31Mar2018	Credit Interest			1.33	824.02 ✓

Page Generated at 14:51 on 13 May 2018

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

Name of smaller authority: SAWLEY PARISH COUNCIL

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

**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 2 July 2018

and ending on Friday 10<sup>th</sup> August 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: A Kaughwa

Role: Parish Clerk + Responsible Officer

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

**Sawley Parish Council – print of the webpage to show publication of notice for the period for the exercise of public rights – published 1 July 2018**

The screenshot shows a web browser window with the URL [www.sawleyparishcouncil.org.uk](http://www.sawleyparishcouncil.org.uk). The page layout includes a blue sidebar on the left with navigation links: Planning, Agendas & Minutes, Reference and Policy Documents, About The Council, Community, News, Business Plan formally adopted, and Contact Us. Below these are sections for Council Meetings (listing meetings on 24 Jul 2018, 28 Aug 2018, and 25 Sep 2018) and Web Links (to Erewash Borough Council and Derbyshire County Council). The main content area features a header image of Sawley Marina with the text: "Sawley Parish Council strives to make Sawley a better place to live, work and visit. Our website includes a wealth of information about how we conduct business and what we do. If you can't find what you want or would like to recommend any improvements to our website then please [contact us](#)." Below this is a "Latest News" section with two items: "Notice for the exercise of public rights" dated Sun, 01 Jul 2018 19:54 by Angelika Kautfeld, and "HS2 drop in session TODAY" dated Fri, 08 Jun 2018 08:12 by Angelika Kautfeld. The notice text states: "Confirmation of the dates for the period for the exercise of public rights as part of the External Audit process for Sawley Parish Council accounts 2017/18. If you would like to exercise these rights please contact the clerk by email and an appointment can be made to view the information prior to the July meeting." A link is provided for an audit confirmation PDF (432 Kb). The HS2 notice mentions a drop-in session on Friday 8 June at the United Reform Church, 26 Midland Street, Long Eaton, from 1pm to 6:30pm. The right sidebar contains a navigation menu (I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z), "What's On" (Remembrance Sunday, Christmas Lights), "Latest Tweets" (HS2 drop in session TODAY, Litter pick, General Data Protection Regulations), and a Facebook widget showing 46,507 page views over twelve months.