

Annual Internal Audit Report 2019/20

TOTTERNHOE 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 2020.

The internal audit for 2019/20 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.			✓
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.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (For local councils only) 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

16/05/2020

Name of person who carried out the internal audit

R. K. FOSTER

Signature of person who carried out the internal audit



Date

16 MAY 2020

*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 2019/20

We acknowledge as the members of:

TOTTERNHOE 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 2020, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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 must be published with the Annual Governance Statement.

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

09/06/2020

and recorded as minute reference:

8

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

Chairman

Clerk

[Signature]
[Signature]

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

totternhoe.com

Section 2 – Accounting Statements 2019/20 for

TOTTERNHOE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	13159	16690	<i>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.</i>
2. (+) Precept or Rates and Levies	21754	23989	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	7053	9176	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	4695	2609	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	20581	17123	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	16690	30123	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	16690	30123	<i>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.</i>
9. Total fixed assets plus long term investments and assets	72434	73134	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>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>

I certify that for the year ended 31 March 2020 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

Julie Todd
Date *24/06/2020*

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

09/06/2020

as recorded in minute reference:

8

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

[Signature]

Section 3 – External Auditor Report and Certificate 2019/20

TOTTERNHOE PARISH COUNCIL

In respect of

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 2020; 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 2019/20

(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 2019/20

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 2020.

*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 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Totternhoe Parish Council

Bank Reconciliation y/e 31.03.2020

<u>Bank Accounts</u>	£	£
Community Account 01227491	2920.45	
Business Money Manager Account 11227580	22299.80	
Community Savings Account 62753383	7305.90	
Community Savings Account 62753375	<u>149.20</u>	
Total		32675.35
Less Unpresented Cheques		2552.39
Net Balances as at 31.03.2020		30122.96

Unpresented Cheques

101784	100.00	
101806	14.99	
101811	114.00	
101812	60.00	
101813	158.40	
101814	350.00	
101815	350.00	
101817	385.00	
101818	<u>1020.00</u>	
Total		2552.39

Julie Todd

Clerk/RFO

07.05.2020

Totternhoe Parish Council

Explanation of significant variances in the accounting statements

Please explain any variances of more than 15% between the totals for individual boxes in Section 2. We do not require explanations for variances of less than £200;

Section 2	2018/19 £	2019/20 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10))
Box 2 <i>Precept</i>	21754	23989	2235	
Box 3 <i>Other income</i>	7053	9176	2123	2019/20 - £4,900 grant for Neighbourhood Plan
Box 4 <i>Staff costs</i>	4695	2631	2064	The reduced cost arose from the serious illness of the clerk of the council and subsequent resignation. In 2020/21 normal costs will be included
Box 5 <i>Loan interest/ capital</i>	0	0	0	
Box 6 <i>Other payments</i>	20581	17123	3458	2018/19 £7,000 on new playground equipment. 2019/20 £700 on flagpole, £282 defibrillator battery, £258 new software, £385 football club electrical report, £4,622 on Neighbourhood Plan
Box 7 <i>Balances carried forward</i>	16690	30123	13433	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. 2019/20 £7,300 earmarked for highways
Box 9 <i>Fixed assets & long term assets</i>	72434	73134		Explain all movements in this category and not just those above 15% 2019/20 - £700 flagpole expenditure
Box 10 <i>Total borrowing</i>	0	0	0	

Totternhoe Parish Council

Confirmation of contact details

Please confirm the contact details for the Clerk, RFO (if not the clerk) and Chair, to assist us in ensuring that our records are kept up to date:

Clerk's name: Julie Todd	RFO's name (if not clerk)	Chair's name Virpi Kelly
Clerk contact address: 6b Higher Rads End Eversholt Beds MK17 9ED	RFO contact address:	Chair contact address: Peacehaven Furlong Lane Totternhoe Beds LU6 1QR
Telephone: Primary contact number: 07525 005754 Mobile/Alternative number: 01525 280457	Telephone: Primary contact number: Mobile/Alternative number:	Telephone: Primary contact number: 01582 477211 Mobile/Alternative number: 07743 585929
Clerk e-mail: parishclerk@totternhoe.com	RFO e-mail:	Chair e-mail: virpikelly@msn.com

***Please return this form together with the
Annual Governance & Accountability Return and other information requested.***

Confirmation regarding the exercise of public rights

Parish Council name: **TOTTERNHOE PARISH COUNCIL**

The Parish Council must inform the electorate of an exact 30 working day period during which public rights may be exercised.

The inspection period must **commence no later than 1 September 2020**

It must start at least one day after the annual return has been published on your website (or other free to access website used by the Council) and publication must be as soon as practical after the unaudited annual return has been approved by the Parish Council.

Working days are defined as Monday – Friday. They **do not** include Saturdays, Sundays and Bank holidays.

The inspection period commences on: Monday, 20 July 2020

And ends on: Friday, 28 August 2020

Signed: Julie Bold Date: 09/07/20

Position held: CLERK / DFO

r.foster375@btinternet.com

39 Coombe Drive
Dunstable
Beds
LU6 2AE
01582 662532

Totternhoe Parish Council Accounts 2019/2020

17th. May 2020

Dear Councillors,

I am pleased to be able to confirm, that I have carried out the various checks on the accounts of the Parish Council as required for the Annual Return and Mazars LLP.

I am satisfied that the statutory requirements have been complied with and proper accounts and procedures adopted. I have looked at all payments and receipts and all anticipated income has been received - there are no unusual payments or credits in this year's accounts. Vat procedures and insurances are in order which are in line with levels normally set for Parish Councils. Your budgeting methods are also satisfactory and equally your preparation work for the setting of the Annual Precept. Your Asset Register needs to be compiled again and re-assessed prior to audit next year so an amending figure can be shown on the next annual return.

Finally I would like to thank your Clerk Julie for providing all the necessary information at this difficult time.

Yours sincerely



Ray Foster
Independent Internal Auditor