

Annual Internal Audit Report 2017/18

MIDDLETON PARISH COUNCIL (NORTH WARWICKSHIRE)

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.	N/A		
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. (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

17/5/18

Name of person who carried out the internal audit

MICHAEL ROSS HART

Signature of person who carried out the internal audit



Date

7/6/18

*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

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

MIDDLETON PARISH COUNCIL (NORTH WARWICKSHIRE)

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:

MIDDLETON PARISH COUNCIL 22/5/18
INTERNAL AUDIT MINUTE a) - b)

dated *7/6/2018*

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

Chairman *C. Micegan*
Clerk *Fry Harris*

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

MIDDLETONPC.CO.UK

Section 2 – Accounting Statements 2017/18 for

MIDDLETON PARISH COUNCIL (NORTH WARWICKSHIRE)

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	12 404	16 403	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	12 500	12 750	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	18.840	28.075	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	8.174	8.182	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	19.167	31 833	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	16 403	17.213	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	16 403	17.213	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	378.083	391.600	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 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

Jon Harris
Date 7/6/2018

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

MIDDLETON PARISH COUNCIL 22/5/18

and recorded as minute reference:

INTERNAL AUDIT MINUTE a) AND b)

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

Carl Klean

Section 3 – External Auditor Report and Certificate 2017/18

In respect of *MIDDLETON PARISH COUNCIL (NORTH WARWICKSHIRE)*

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

External Auditor Signature

Date

Explanation of variances – pro forma

Name of smaller authority: MIDDLETON PARISH COUNCIL

County area (local councils and parish meetings only): NORTH WARWICKSHIRE

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 £)
Box 2 Precept or Rates and Levies	12,500	12,750	250	2%	N/A
Box 3 Total other receipts	18,840	28,075	9,235	49%	GRANT OF £8,080 OBTAINED FROM GROUNDWORKS TO FUND NEW VILLAGE HALL PROJECT.
Box 4 Staff costs	8,174	8,182	8	0.9%	N/A
Box 5 Loan interest/ capital repayments	0	0	0	0	N/A
Box 6 All other payments	19,167	31,833	12,666	66%	COUNCIL PURCHASED A WAR MEMORIAL BAND STAND FOR £12,749.
Box 9 Total fixed assets & long term investments & assets	378,083	391,600	13,517	3.5%	N/A
Box 10 Total borrowings	0	0	0	0	N/A
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end: N/A				

Bank reconciliation – pro forma

Name of smaller authority: MIDDLETON PARISH COUNCIL

County area (local councils and parish meetings only): NORTH WARWICKSHIRE

Financial year ending 31 March 2018

Prepared by TONY HARRIS CLERK AND RP (Name and role)

Date 7/6/2018

Balance per bank statements as at 31 March 2018: £ £

26,717.84

Petty cash float (if applicable)

Less: any un-presented cheques at 31 March 2018

9,504.62

Add: any un-banked cash at 31 March 2018

0

17,213.22

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)	16,403
Add: Receipts in the year	40,825
Less: Payments in the year	<u>40,015</u>
Closing balance per cash book [receipts and payments book] as at 31 March 2018 (must equal net balances above – Box 8)	<u>17,213.</u>

(See example for guidance if required)

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

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

Name of smaller authority: _____

(N/A.) MIDDLETON PARISH COUNCIL

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

NORTH WARWICKSHIRE

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		17 213
Deduct: Debtors		
•		
•		
•		
	0	
Deduct: Payments made in advance (prepayments)		
•		
•		
	0	
Total deductions		0
Add: Creditors (must not include community infrastructure levy (CIL) receipts)		
•		
•		
	0	
Add: Receipts in advance (must not include deferred grants/loans received)		
•		
•		
	0	
Total additions		0
Box 8: Total cash and short term investments		17 213

Contact details

Name of smaller authority: MIDDLETON PARISH COUNCIL

County Area (local councils and parish meetings only): NORTH WARWICKSHIRE

Please complete this form and send it back to us with the AGAR or exemption certificate

	Clerk/RFO (Main contact)	Chair
Name	TONY HARRIS	GILL KEEGAN
Address	CLEEVE COTTAGE CHURCH LANE MIDDLETON NR TAMWORTH B78 2AN	ASH TREE HOUSE CHURCH LANE MIDDLETON NR TAMWORTH B78 2AN
Daytime telephone number	0121 308 1741	0121-308-5791
Mobile telephone number	0771 422 6452	07704-516980
Email address	t.harris666@btinternet	gill-keegan@hotmail.com

.com