

St Kew Parish Council

Internal Audit Report

Year Ended 31st March 2019

Prepared by: Aalgaard Renshaw Business Solutions Ltd

Date of Interim Visit: n/a

Date of Final Inspection: 26th April 2019

Section	Page
Internal Audit Regulation and Methodology	3
Observations and Conclusions	4
Overview and Corporate Governance - document	5
Corporate Governance Statement – document	6
Professional Independence and Competence Questionnaire - document	8
Review	
Section 1 - Maintenance of Accounting Records and Bank Reconciliations	9
Section 2 - Review of Corporate Governance	9
Section 3 - Review of Expenditure	10
Section 4 - Review of Income	10
Section 5 - Review of Capital Budgeting	10
Section 6 - Review of Employment Arrangements	11
Section 7 - Risk Management Arrangements	11
Section 8 – Asset Register	12
Section 9 – Investments & Loans	12
Section 10 – Audit Notices and Annual Return	13
Section 11 - Transparency	13
Recommendations	13

Internal Audit Regulation

*All town and parish Councils are required, by the provisions set out in **The Audit Commission Act 1998** and **Accounts and Audit Regulations** (issued from time to time under the Act) to arrange for an independent internal audit examination, to be undertaken in respect of the authority's accounting records and system of internal control. The conclusions of the said examinations are, thereafter, reported at Section 4 of the authority's Annual Return for the relevant year.*

Internal auditing is defined as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its' objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

Aalgaard Renshaw Business Solutions Ltd was appointed as the Internal Auditor by St Kew Parish Council, for the Municipal Year 2018/19.

The Internal Audit Review was undertaken after the year end. This audit included compliance and substantive testing to ensure that the control objectives are being met.

The Audit does not guarantee that the accounting records are free from fraud or error.

This report details the scope of the assessment undertaken in relation to St Kew Parish Council for the 2018/19 financial year. This assessment was undertaken on 26th April 2019

Methodology

When undertaking the Internal Audit for the financial year 2018/19 regard has been given to the materiality of the authority's transactions and the potential for mis-recording or misinterpreting the same in year- end Statement of Accounts/ Annual Return.

Aalgaard Renshaw Business Solutions Ltd operates an investigatory programme, designed to provide the requisite level of assurance that the audited authority has appropriate and robust financial processes in situ, which ensure that transactions are enacted with both efficacy and integrity and which provide a reasonable probability that any material errors, or possible abuses of organisational, or national, regulatory frameworks are easily identifiable.

The Internal Audit programme applied by Aalgaard Renshaw Business Solutions Ltd also facilitates the completion of the Internal Audit Report, which forms part of the authority's Annual Return document.

Observations and Conclusion

Having undertaken a comprehensive Internal Audit of St Kew Parish Council's accounting records and system of internal control, we have concluded that, based on our inspection, the Parish Council has maintained an effective and accurate system of internal control arrangements for the accounting period 2017/18.

The Parish Council's 'Internal Audit Report', part 4 of the Annual Return, has been duly completed and signed. We are of the firm opinion that the control objectives set out in that report have been achieved within the financial year to a high standard and thereby easily meets the needs of the Council.

Acknowledgement

Aalgaard Renshaw Business Solutions Ltd would like to take this opportunity to thank the Members of St Kew Council for their instruction in to carry out their Internal Audit. A special mention is given to the RFO, Richard Godden for his co-operation.

Jacquelyn Peskett

Aalgaard Renshaw Business Solutions Ltd

Terms of Engagement		Ref	Notes
1.	Review Terms of Engagement; confirm that engagement is appropriate to this financial year.	n/a	Engagement by Email; May 2019
2.	Confirm the professional independence and competence questionnaire has been completed and agreed with the client		Confirmed: Cllr C J Lethbridge 23 rd April 2019.
3.	Agree Internal Audit fee with client	n/a	Agreed a cost of £135.00 (plus VAT), by email on 12 th February 2019
4.	Agree attendance date	2nd Nay 2018	Agreed by telephone; work carried out at ARBS Ltd. Office on 25 th April 2019

Planning Notes		Ref	Notes
5.	Number of Electors	n/a	Circa: 750
6.	Precept sum	Minutes	£7,349.45
7.	Other Income (Total)	n/a	£1968.17 CTG/other
8.	Key Personnel	n/a	Cindy Powell (Parish Clerk) Richard Godden (Responsible Finance Officer)
9.	Type of Manual Accounting in Place	n/a	Accounting Package 'Quick Books' is utilised by the Parish Council. A monthly Schedule of Payments is produced which is agreed then signed off by two Parish Council Members. Hard copies of the Schedule are maintained and reconciled against bank statements.
10.	Any significant changes to staff/ procedures since previous Internal Audit?	n/a	No
11.	Are there any matters arising from the last Internal Audit and/ or Management Letter?	n/a	It was recommended that Standing Orders and Financial Regulations are updated.
12.	Have there been any matters arising from discussions with Council, including whether there is any evidence of fraud/ material mis-statement?	n/a	No
13.	Key high risk/ expected problem areas	n/a	None

Observations	<i>It is noted that recommendations from the previous Internal Audit, have not been addressed in respect of Standing Orders and Financial Regulations, it is suggested that these are re visited.</i>
---------------------	---

Corporate Governance Statement

Area	Response (please provide detail below or on supplementary pages)
<p>Please confirm whether or not Standing Orders and Financial Regulations are in place.</p> <p>If so, when were they last updated and formally adopted by the Council?</p> <p>(Please provide an electronic copy of both).</p>	<p>Standing Orders and Financial Regulations are in place. These were adopted in 2013.</p>
<p>Where original minutes are not provided for our examination, please confirm that each page of the master copy is signed or initialed by the Chairman at the subsequent meeting when they are approved.</p>	<p>Original Minutes were provided and signed in accordance with the terms and conditions of the Local Government Act 1972; Schedule 12. Para 41(1).</p> <p>Each page is signed by the Chairman.</p>
<p>Please provide detail of the approved precept and any Support Grant for 2018 -2019 including a copy of the relevant approving minute.</p>	<p>The Precept for the Financial Year 2018 -2019 was discussed and approved at the Parish Council meeting held on 12th December 2017 - minute reference 4052- Budget.</p>
<p>Does the Council meet the criteria for adoption of the General Power of Competence and, if so, has it been adopted. Please confirm minute reference and date.</p> <p>If reliance is still placed on S.137, etc., when considering the approval of grants and donations to local (and other) bodies, are the relevant powers considered and formally minuted?</p> <p>Where detail of powers relied on is only set out on an agenda paper, please provide an example.</p>	<p>No</p> <p>N/A</p> <p>N/A</p>
<p>Please confirm that all internal and external audit reports are presented to and agreed by members, also with agreement on the actions to be taken to address any issues identified. Again, please provide detail of the relevant meeting and minute reference.</p>	<p>Internal Audit Report for Financial Year 2018/19 was considered by the full Council on 8th May 2018 (Minute Number 5024).</p> <p>The Parish Council classed itself as "Exempt"</p>
<p>Has the Council reviewed an updated version of the financial risk assessment and formally approved its re-adoption (Governance and Accountability Manual – 2014 refers)</p>	<p>Reviewed and updated in 2013</p>
<p>When approving payments for release, do those members signing cheques examine and sign / initial individual invoices. Please provide a brief description of the approval process from receipt of invoice through to release of funds, on a separate sheet.</p>	<p>All payments are noted as an 'Agenda Item'. These are approved and voted upon by the full Council. The following month a payment schedule is produced, voted upon and approved by the full Council, prior to any cheque being issued.</p> <p>Each payment schedule and cheque stub is initialled by two Members.</p>

	Two signatures are required on each cheque.
Are all individual payments by direct debit, bankers' standing order or internet, if in use, similarly examined and approved for payment by members? Please provide detail of the controls in place over such payments, where different to those for cheque payments.	The Council has no on-line banking facility.
Does the Council / a nominated member review the detail of bank reconciliations routinely throughout the year and verify detail to underlying cashbooks and bank statements (Governance and Accountability manual refers)	The RFO undertakes this task.
Please provide a brief description of the approach taken to the preparation and approval of the Annual Budget and Precept.	The RFO, together with the Chairman and Clerk prepare a budget for presentation to the full Council for consideration.
Does the Council formally consider and approve the level of reserves (General and Earmarked Funds) to be carried forward to the next financial year? (Such consideration should be minuted formally).	The Parish Council has no reserves.
Has a physical examination / verification of the Councils stock of assets been undertaken recently? If so, when and by whom?	Each year, on an on-going basis, by various Members of the Council.
Are asset values based on purchase cost net of VAT (where known)? Where detail of the purchase cost is unknown, asset values should be reported on the Annual Return at the same value as the previous year, except where new assets are acquired or disposed of.	Assets are valued net of VAT.
Does the Council act as Sole or Custodial trustees of any charitable funds? If so, are the transactions excluded from the Annual Return financial detail at Section 2?	No

Certified by the Chairman: Cllr Lethbridge

Date: 23rd April 2019

Observations	<i>Standing Orders and Financial Regulations have not been recently reviewed to consider any changes in the law. The Parish Council's Financial Regulation (11.1) states 'It shall be the duty of the Clerk and RFO to review the Financial Regulations of the Council the Annual Meeting' It is noted after reading all minutes for this Financial year, do not allude to this task having been undertaken.</i>
---------------------	--

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. The two key principles, which councils must follow in setting up their internal audit function are; **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

Section 1 – Maintenance of Accounting Records & Bank Reconciliations

Internal Control Objectives

	Control Objective	Comments
A	Has the RFO been appointed with specific duties? (S.151 LGA 1972)	Paperwork was not presented however, it was advised verbally that the RFO had undertaken this role for more than 15 years,
B	Appropriate records of account have been properly kept throughout the year	Yes
C	Closing Cashbook Balance	£14096.31
D	Formal, year-end, Bank Reconciliations were carried out.	Yes, these are presented in a clear and concise manner.

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

2. Review of Corporate Governance

	Control Objective	Comments
E	There are appropriate governance arrangements in place to help ensure compliance with extant legislation and that no decisions are taken that may result in unlawful, or unbudgeted costs.	It is noted that the Council has prepared and adopted both Standing Orders (S/O's) and Financial Regulations (F/R's). However, these have not been updated since 2013.
F	The Council's Financial Regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	A sample of payments was examined. All had been processed appropriately and were in accordance with the terms and conditions set out in the Council's Financial Regulations.
G	Procurement	The Council's Financial regulations confirm that a proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £50,000 shall be procured on the basis of a formal tender as summarised in Standing Order No. 8.
H	Clarity of Records	Financial Records were easy to find and follow; filed in an appropriate manner and; appeared to be complete and fit for purpose.
I	Precept Setting 2019 -2020	The Precept for the Financial Year 2019-2020 was discussed and approved at the Parish Council meeting held on 11 th December 2018- minute reference 6030- Annual Budget

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

3. Review of Expenditure

	Control Objective	Comment
J	Payments	Supported by Invoices; Authorised and Minuted
K	Procurement of services above the 'de minimis' Amount	N/A
L	VAT	AVAT return was submitted with a refund of £1617.96 received 14 th December 2019.
M	S.137 Expenditure (LGA 1972)	N/A
N	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for	No Petty Cash Account utilised.
O	Clerk's Expenditure	The Clerk has made no purchases on her own account.

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

4. Review of Income

	Control Objective	Comment
P	The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	Yes
Q	Expected income was fully received, based on correct prices, properly recorded and promptly banked, with VAT appropriately accounted for.	Yes
R	Are there any significant, unexplained, variances from the budget?	No

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

5. Review of Capital Budgeting

	Control Objective	Comment
S	Sale of fixed assets	None
T	Use of income from sales (de minimis £10,000)	N/A
U	Capital Expenditure	None
V	Long-term capital budget/ rolling capital schemes	No
W	Capital budget review (annually) date	No

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

6. Review of Employment Arrangements

	Control Objective	Comment
X	Each employee has been issued with a contract of employment, with clear terms and conditions	Yes – not viewed by Internal Auditor
Y	Salaries paid agreed with those approved by the Council	Yes
Z	Are all employees in a registered pension scheme/ have all employees been offered the opportunity to enrol in a work pension scheme	The Clerk is not eligible for the Pension Scheme.
AA	Are other payments made to employees reasonable and approved by the Council	Yes
AB	Have PAYE / NIC been properly operated by the Council as an employer	Payments have been made in compliance with the PAYE/NIC requirements
AC	Does the Council have current, appropriate Employer Liability Insurance?	Yes – copy requested and inspected.

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

7. Risk Management Arrangements

	Control Objective	Comment
AD	Does a review of the minutes identify any unusual financial activity?	None identified.
AE	Do the minutes record the Council carrying out an annual risk assessment?	None Recorded, however it is noted that this is undertaken by the RFO and Clerk.
AF	Is insurance cover current, appropriate and adequate?	The Council has appropriate and adequate insurance cover, provided by AON (policy LC/M/002909).
AG	Is the Fidelity Guarantee appropriate and has it been reviewed?	The Fidelity Guarantee (£100,000 limit) is Index Linked and deemed appropriate for a Council with an annual precept of £7,500
AH	Are internal control systems documented and regularly reviewed?	Yes. Date of last review 2013 however, it was noted that there was a half yearly review of accounts discussed at the meeting held on 9 th October 2018 (Minute Reference 5099).
AI	Has the Council carried out a review of the effectiveness of internal auditing during the year?	Yes
AJ	Has appropriate action been taken regarding matters raised in reports from Internal Audit?	None raised
AK	Have adequate measures and steps been put in place in respect of GDPR.	It is noted that Parish Council considered measures for more protection for the computer at the meeting held on 14 th August 2018 (minute reference 5072). It was also noted that at the meeting held on 10 th July 2018, a discussion took place in respect of changing the service provider in

		respect of Website hosting to ensure GDPR compliance (minute reference 5040). At the meeting held on 10 th July 2018, it was agreed to adopt the Audit report and Action Plan form Microshade (Minute reference 5055).
--	--	--

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

8. Asset Register

	Control Objective	Comment
AL	Does the Council maintain a register of all material assets owned, or in its care?	Yes
AM	Are the assets and investments register up to date?	Yes
AN	Have dates of acquisitions been noted?	No
AO	Is a life estimate recorded?	No
AP	Has the location of the item been recorded?	Yes
AQ	Have costs of acquisitions and enhancement been recorded?	Value recorded
AR	Have dates of upgrade and disposal been noted?	The Council has not disposed of any assets at value
AS	Do asset insurance valuations agree with those in the asset register?	N/A

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

9. Investments and Loans

	Control Objective	Comment
AT	Have all excess balances been appropriately and prudently invested in appropriate accounts for safeguarding? (LGA 2003 and guidance issued by the Secretary of State).	N/A
AU	Does the Council have, documented and approved, appropriate recovery actions for unpaid debts/ writing off, of irrecoverable debts process/ debt monitoring arrangements in place?	No.

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

10. Audit Notices and Annual Return

	Control Objective	Comment
AV	When were these advertised to the public?	The relevant notices including "Certificate of Exemption" were published on the website April 2018.

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

11. Transparency

	Control Objective	Comment
AW	Publication Method of Agendas/ Minutes	Website
AX	Publication of Annual Governance Statement	Website - Complete
AY	Public Meeting date	Second Tuesday of each month
AZ	List of Council Members and their responsibilities	Website - complete
ABA	Councillors Code of Conduct/ Complaints	Website - complete
ABB	Financial Regulations/ Standing Orders	Website - complete

Observations	<i>Satisfactory – no issues identified</i>
---------------------	--

Recommendations

Page	Reference	Recommendation
7	Standing Orders and Financial Orders	<i>Each local authority should undertake a regular review of its discretionary Standing Orders, annually or at some other predetermined interval of time. Whilst it is unlikely that major changes will be needed in those regulations that deal with debate, it may be necessary to take account of changes in the law and organisational structure during the past year.</i>

Smaller authority name: _____

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF ANNUAL GOVERNANCE & ACCOUNTABILITY
RETURN (EXEMPT AUTHORITY)**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

**Local Audit and Accountability Act 2014 Sections 25, 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p>1. Date of announcement <u>2nd MAY 2019</u> (a)</p> <p>2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review. Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2019, these documents will be available on reasonable notice by application to:</p> <p>(b)</p> <p><u>Councillor Richard Godden 01208 880007</u></p> <p>_____</p> <p>_____</p> <p>commencing on (c) <u>Monday 17 June 2019</u></p> <p>and ending on (d) <u>Friday 26 July 2019</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 1 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-littlejohn.com)</p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

Annual Internal Audit Report 2018/19

ST KEW 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.	NO PETTY CASH		
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 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.			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

26/04/19

Name of person who carried out the internal audit

JACQUI PESKETT (ARBS LTD)

Signature of person who carried out the internal audit



Date

26/04/19

*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).

Section 2 – Accounting Statements 2018/19 for

ST. KEW PARISH COUNCIL AUTHORITY

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	13502	13516	Total balances and reserves at the beginning of the year Box 7 of previous year.
2. (+) Precept or Rates and Levies	7500	7349	received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	234	1966	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	2419	2420	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	5301	5505	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	13516	14906	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	13516	14906	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	11993	11993	The value of all the property the authority owns – it is made 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 as a body corporate acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	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

6098 09/04/2019

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

09/04/2019

as recorded in minute reference:

6098

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

Annual Internal Audit Report 2018/19

ST KEW 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.			NO PETTY CASH
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 2017/18, it met the exemption criteria and correctly declared itself exempt. (<i>"Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i>)	✓		
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.			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

26/04/19

Name of person who carried out the internal audit

JACQUI PESKETT (ARBS LTD)

Signature of person who carried out the internal audit



Date

26/04/19

*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).

	<u>31 Mar 19</u>
ASSETS	
Current Assets	
Cash at bank and in hand	
Bus bank Instant	3,095.32
Footpaths	110.15
Tresurers account	
Grant fund	284.20
Tresurers account - Other	<u>11,416.64</u>
Total Tresurers account	<u>11,700.84</u>
Total Cash at bank and in hand	<u>14,906.31</u>
Total Current Assets	14,906.31
NET CURRENT ASSETS	<u>14,906.31</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>14,906.31</u>
NET ASSETS	<u><u>14,906.31</u></u>
Capital and Reserves	
Share Capital Account	12,385.99
Unrestricted Net Assets	1,130.65
Profit for the Year	<u>1,389.67</u>
Shareholder funds	<u><u>14,906.31</u></u>

	<u>1 Apr '18 - 2 Apr 19</u>
Ordinary Income/Expense	
Income	
Investment Income	0.77
Precept	7,349.45
Transition payment	349.44
Vat refund	1,617.96
	<hr/>
Total Income	9,317.62
Expense	
Audit fees	150.00
Award plaque	25.00
cancelled	0.00
Churchyard repairs	240.00
Dues and Subscriptions	164.76
Footpath cutting	18.63
footpath repair and matanence	130.80
GDPR regulations	250.00
Grants given	1,050.00
Grass Cutting	2,904.00
Insurance Expense	231.77
Office Expense	21.59
PAYE	484.20
Rememberance	50.00
Repairs and Maintenance	167.00
salaires	1,936.20
Signs	50.00
Training	54.00
	<hr/>
Total Expense	7,927.95
	<hr/>
Net Ordinary Income	1,389.67
	<hr/>
Profit for the Year	1,389.67
	<hr/> <hr/>