

# Annual Internal Audit Report 2019/20

## LONGBOROUGH 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.	Yes	No	Not applicable
			X

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

02/06/2020

DD/MM/YYYY

AMANDA SMITH

Signature of person who carried out the internal audit

ABE SMITH

Date

02/06/2020

\*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 1 – Annual Governance Statement 2019/20

chm sig  
clerk

We acknowledge as the members of:

LONGBOROUGH 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' 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.

\*For any statement to which the response is 'no', an explanation must be published

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

22/06/2020

and recorded as minute reference:

MINUTE REFERENCE 3

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

Chairman

SIG Tim Howse

Clerk

SIG Jenny Walsh



## Section 2 – Accounting Statements 2019/20 for

### LONGBOROUGH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	17,585	18,233	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	13,100	13,700	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	2,889	1,824	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	3,351	5,336	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.
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	11,990	9,587	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	18,233	18,834	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	18,233	18,834	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	26,483	26,483	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council as a body corporate acts as sole trustee for and is responsible for managing Trust funds or assets.
		N/A	N.B. The figures in the accounting statements above do not include any Trust transactions.

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

*Jenny Walsh* REQUIRED

Date 22/06/2020

22/06/20

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

22/06/2020

22/06/20

as recorded in minute reference:

MINUTE REFERENCE

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

*Tim House* REQUIRED

**Longborough Parish Council**  
**Receipts and Payments Account**  
**for year ended 31st March 2020**

<b>RECEIPTS</b>		<u>2020</u>	<u>2019</u>
	Precept	13,700.00	13,100.00
	Grants	1,800.00	1,350.00
	Misc	24.00	1,062.50
	VAT		476.35
		<u><b>15,524.00</b></u>	<u><b>15,988.85</b></u>
<b>PAYMENTS</b>			
	Staff costs	5,335.75	3,351.27
	Audit	56.00	56.00
	Poppy wreath	38.00	50.00
	Dog/litter bins	0.00	0.00
	Maintenance	518.18	36.44
	Xmas tree	90.00	90.00
	Services	0.00	66.50
	Rent/hire village hall	72.00	120.00
	Training	107.40	23.79
	Grass/grounds	2,579.00	2,260.00
	Ashwell	0.00	0.00
	Insurance	348.85	335.43
	War memorial	0.00	1,872.00
	Streetlighting	0.00	3,338.00
	Councillors exp	0.00	0.00
	Donations	4,701.20	3,005.60
	Stationery/equipment	785.46	38.32
	Miscellaneous	0.00	74.72
	Subscriptions	141.28	197.51
	VAT recoverable	149.55	425.36
		<u><b>14,922.67</b></u>	<u><b>15,340.94</b></u>
	<b>Surplus for year</b>	601.33	647.91
	<b>Balance b/fwd</b>	<u>18,232.52</u>	<u>0.00</u>
	<b>£</b>	<u><b>18,833.85</b></u>	<u><b>18,232.52</b></u>
<b>REPRESENTED BY</b>			
Lloyds bank account	<b>£</b>	<u><b>18,833.85</b></u>	<u><b>18,232.52</b></u>
<b>00056300 30-95-75</b>		<u><b>18,833.85</b></u>	<u><b>18,232.52</b></u>

**LONGBOROUGH PARISH COUNCIL****LLOYDS BANK ACCOUNT 00056300****BANK RECONCILIATION FOR YEAR APRIL 2019 TO MARCH 2020**

Opening balance at bank 1st April 2019	£ 18,232.52
Receipts up to 31st March 2020	<u>15,524.00</u>
	33,756.52
Payments up to 31st March 2020	£ 14,922.67
	<u>18,833.85</u>
Balance as at 31st March	
Lloyds bank	<u><u>18,833.85</u></u>

**Longborough Parish Council**

**Explanation of Variances Annual Return 2019/20**

Box 4 Staff costs		2019	2020	variance	Explanation
	£	3,351	5,336	59%	Clerk's hours increased in Nov 19 and back pay/o time.
Box 6					
All other payments		11,990	9587	-23%	One off extra payment for street lighting in 2018/19 £3,338

# **Longborough Parish Council** **Risk Assessment and Management**

Area	Risk	Level	Control
Finance	Protection of physical assets	Low	Insurance is in place
	Financial Controls and records	Low	Reconciliations prepared by RFO BACS payments entered by RFO & Chair 2 signatories on cheques, Internal and External Audit
	Sound Budgeting	Low	Council receives detailed budget in Late winter to prepare precept for The following year.
	Complying with borrowing restrictions	Low	No borrowing likely at present
Liability	Risk to third party, property or individuals	Low	Insurance is in place. Playground Regularly inspected and reported On.
	Legal liability as consequence Of asset ownership (especially Playground)	Low	Insurance is in place. Annual Inspection of playground by ROSPA
Employer liability	Comply with Employment law	Low	Member of various regional and National bodies.
	Comply with Inland Revenue requirements	Low	Internal and external audits carried Out annually.
Legal liability	Ensuring activities are within Legal powers	Low	Clerk to clarify legal position on New proposals. Legal advice Sought if necessary
	Proper and timely reporting Via the minutes	Low	Council meets bi-monthly and receives And approves minutes of meeting. These Are made available to press and public LPC website now live.
	Proper document control	Low	Leases and legal documents in Village Hall Filing cabinet
Councillor Property	Register of interests and gifts And hospitality in place	Low	Recorded in the minutes of each meeting.

This risk management paper will be considered by the Council on 22<sup>nd</sup> June 2020 as part of Annual Governance.