

# Annual Audit 2019-2020

The Annual Audit has now been completed by the council's appointed Internal Auditors (**Min. 20.02.09.3 refers**) and their report is attached as Appendix 1 to this report.

The reported noted that that Council continued to maintain effective governance arrangements including a robust framework of financial administration and internal controls. The following comments or recommendations were made which require action on the part of either the Council or the Council's Responsible Finance Officer:

1. Reduce receipts & payments by £500 (internal transfer) and increase payments by £5.59 (smart pension payment) – This has been completed and the relevant documents (annual accounts, accounting statement) updated.
2. Review council's risk assessment to include reference to impact of General Data Protection Regulations (GDPR) – this review is scheduled and the RFO will report back to the council with any proposed amendments at its October meeting.

The Council's Risk Assessments as adopted at its May 2020 meeting are attached as Appendix 2.

The Council's accounts for the 12 months to 31<sup>st</sup> March 2020 are attached as Appendix 3.

The Council's Annual Governance Statement is attached to this report as follows:

- Section 1 – Appendix 4
- Section 2 – Appendix 5

The period for public inspection of the Annual Accounts will be between Monday 3<sup>rd</sup> August and Friday 11<sup>th</sup> September and a notice will be published and posted to that effect.

# HEELIS&LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Wickhambrook Parish Council – 2019/2020**

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £43,543.82

Expenditure: £39,876.40

Reserves: £55,087.67

### AGAR Completion:

Section One: No

Section Two: Yes not signed. Box 7 does not equal 1+2+3 minus 4+5+6

Annual Internal Audit Report 2019/20: Yes

Certificate of Exemption: N/A

**Proper book-keeping** Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

*LGAs137 and VAT payments are tracked and identified within the year end accounts. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.*

*There were 2 items relating to the cash book. A transfer of £500 from the Nat West to the Unity Trust account in March 2020 has been incorrectly included in the receipts and payments for the year. Also a payment of £5.59 to Smart on the 10<sup>th</sup> October 2019 is not included in the Cash Book.*

**Recommendation (1):** Receipts and Payments should be reduced by £500; and Payments increased by £5.59.

**Financial regulations** Standing Orders and Financial Regulations  
Tenders  
Appropriate payment controls including acting within the legal framework with reference to council minutes  
Identifying VAT payments and reclamation  
Cheque books, paying in books and other relevant documents

Standing Orders in place: Yes  
Reviewed: 16<sup>th</sup> May 2019 (Ref: 19.05.06).  
Financial Regulations in place: Yes  
Reviewed: 16<sup>th</sup> May 2019 (Ref: 19.05.06) and 29<sup>th</sup> August 2019 (Ref: 19.08.09).

VAT reclaimed during the year: Yes                      Registered: No

General Power of Competence: No

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*There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.*

## **Risk Assessment**

Appropriate procedures in place for the activities of the council  
Compliance with Data Protection regulations

Risk Assessment document in place: Yes  
Data Protection registration: Yes - ZA074439 Expiry 14/09/2020

### **Data Protection**

*The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Council's Risk Assessment.*

**Recommendation (2):** *To include reference to GDPR in the Council's Risk Assessment.*

Privacy Policy published: *Yes*

*Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls were reviewed at a meeting held on 16<sup>th</sup> May 2019 (Ref: 19.05.05) and 27<sup>th</sup> June 2019 (Ref: 19.06.12).*

*The Council have good internal financial controls in place. Cheque stubbs and invoices are initialled by signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.*

*The annual play area inspection has been undertaken during the year.*

Fidelity Cover: £150,000

*The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.*



**Transparency**

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: No

Website: [www.wickhambrook.org](http://www.wickhambrook.org)

*The Council is not subject to the requirements of the Transparency Code for smaller Councils.*

Under **The Accounts & Audit Regulations 2015 15(15)** councils must publish on their website:

h) external audit report

*2019 Annual Return, Section Three Published – Yes*

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

i) notice of period for the exercise of public rights

*Published – Yes*

Period of Exercise of Public Rights

Start Date 1<sup>st</sup> July 2019

End Date 9<sup>th</sup> August 2019

**Budgetary controls**

Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £33,955 (2019-2020)

Date: 17<sup>th</sup> January 2019 (Ref: 19.01.11)

Precept: £35,610 (2020-2021)

Date: 16<sup>th</sup> January 2020 (Ref: 20.01.11)

*Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.*

**Income controls**

Precept and other income, including credit control mechanisms

*All were found to be in order. Income controls were checked and income received and banked cross referenced with the Cash Book and bank statements.*

<b>Petty Cash</b>	<p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i></p>
<b>Payroll controls</b>	<p>PAYE and NIC in place where necessary.          Compliance with Inland Revenue procedures          Records relating to contracts of employment</p> <p>PAYE System in place: Yes – Accountability Plus</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council have joined the Smart pension scheme.</i></p> <p><i>It is noted that the Council undertook a review of the Clerk's salary at a meeting held on 26<sup>th</sup> September 2019 (Ref: 19.09.22).</i></p>
<b>Asset control</b>	<p>Inspection of asset register and checks on existence of assets          Cross checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets are recorded at £193,108. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>

**Bank Reconciliation** Regularly completed and cash books reconcile with bank statements

*All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.*

*Reconciled Bank Balances as at 31<sup>st</sup> March 2020 were confirmed as:*

Nat West Current ****0921	£ 0.00
Nat West Business ****6397	£45,613.54
Nat West Current ****6400	£ 0.00
Nat West Business ****6419	£ 8,974.13
Unity Trust Current	£ 500.00

*After actioning Recommendation (1), the Bank Reconciliation should read as follows:*

Balance Brought Forward	£51,420.25
Plus Receipts	<u>£43,543.82</u>
	£94,964.07
Less payments	<u>£39,876.40</u>
	£55,087.67

Bank Accounts	
Nat West Business	£45,613.54
Nat West Business	£ 8,974.13
Unity	<u>£ 500.00</u>
	£55,087.67

*The banking mandate was updated on 25<sup>th</sup> April 2019 (Ref: 19.04.11.2), 16<sup>th</sup> May 2019 (Ref: 19.05.14) and 27<sup>th</sup> June 2019 (Ref: 19.6.10.5).*

*The council agreed to move its accounts from Nat West to Unity Bank on 26<sup>th</sup> September 2019 (Ref: 19.09.11). The Access requirements for the Unity Bank accounts were agreed on 31<sup>st</sup> October 2019 (Ref: 19.10.11).*

## Reserves

General Reserves are reasonable for the activities of the Council  
Earmarked Reserves are identified

*The Council have adequate general reserves (£15,891) and have identified earmarked reserves (£39,196) in their budgetary process.*

## Year-end procedures

Appropriate accounting procedures are used and can be followed through from working papers to final documents  
Verifying sample payments and income  
Checking creditors and debtors where appropriate.

*End of year accounts are prepared on a Receipts & Payments basis.*

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Lynne Lodge Dip HE Local Policy



**Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

**Internal Audit Procedures**

*The 2019 Internal Audit report was considered by the Council at a meeting held on 27<sup>th</sup> June 2019 (Ref: 19.06.13).*

*A review of the effectiveness of the Internal Audit was carried out on 27<sup>th</sup> June 2019 (Ref: 19.06.12).*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 16th January 2020 (Ref: 20.01.12)*

**External Audit**

*The External Auditor's report was considered at a meeting held on 31<sup>st</sup> October 2019 (Ref: 19.10.09.3).*

*There were no matters arising from the External Audit.*

**Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 16/05/2019 within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for the quality of documentation presented in the Audit File.



**Dave Crimmin PSLCC  
Heelis & Lodge**

25<sup>th</sup> June 2020

**WICKHAMBROOK PARISH COUNCIL**  
**Risk assessment and management (financial) for the period 1 April 2019 to 31 March 2020**

<b>Topic</b>	<b>Risk Identified</b>	<b>Risk Level H/M/L</b>	<b>Management of Risk</b>	<b>Staff action</b>
Precept	Not submitted	L	Full Minute – RFO follow up	Diary
	Not paid by DC	L	Confirm receipt	Diary
	Adequacy of precept	M	Quarterly review of budget to actual	Diary
Other Income	Cash handling	L	There is no cash handling – all payments are now done by means of submission of an expenses claim and receipts	n.b. Careful attention to ensure receipts attached to claims and where multiple items on receipt, specific item highlighted. Ensure timely quarterly submission of expenses claims.
	Banking	L	Segregate duties. Check to bank statements. Regular bank reconciliations Move to online banking will enable regular checking of transactions and monthly reconciliations	The Clerk has increased the regularity of Bank Reconciliations (at least bi-monthly which are published on the agenda)
	From Cemetery	M	Burial Register updated for grave allocations as required. Check of burial register to invoices to undertakers. Check of memorial fees work dockets to invoicing.	Clerk has introduced receipts for payments and new cemetery management has been installed and implemented recording transactions
Internet Banking	BACs Payments of Invoices	L	The Council appoints two Councillors (who are not cheque signatories) to verify the schedule of payments made from the internet banking account against sample invoices selected at random on a regular basis.	RFO makes schedule of payments available to Cllrs by pdf doc prior to each ordinary meeting



**WICKHAMBROOK PARISH COUNCIL**  
**Risk assessment and management (financial) for the period 1 April 2019 to 31 March 2020**

	Access codes & passwords	M	The internet banking access codes and passwords are retained securely by the Clerk/RFO and that no internet banking is undertaken on a computer to which the public have access.	Computers are password protected and hard copies kept in locked filing cabinet.
	Online security	M	The Council installs, and keeps updated, anti-virus software on all computers used for Internet Banking.	Clerk to check parish laptops and that Cllrs have virus software on their computers
Grants	Claims procedure	M	Clerk/RFO check as required	Diary
	Receipt of grant when due	M	Clerk/RFO check as required	Diary
Investment Income	Receipt when due	L	Clerk/RFO check as required – no current investment income	n/a
	Surplus funds	L	Review levels and investment policy annually – no current investment income	n/a
Salaries	Wrong salary/hours/rate paid	M	Check salary to minute, check hours and rate to contract	Member to verify
	Wrong deductions – NI and Income tax	M	Check to PAYE Calculations PAYE calculations undertaken by appointed third party payroll provider	Member to verify
Direct Costs and overhead expenses	Goods not supplied to Council	M	Follow up on all orders	Approval check
	Invoice incorrectly calculated or recorded	L	Check arithmetic on invoices and perform bank reconciliations on at least bi-monthly basis	Member to verify
	Cheque payable is excessive or to wrong party	L	Signatory initials Stub & Voucher	Approval check Recommended move to BACS payments with Member authorisation – RFO Investigating
	BACs payment is	M	Invoices circulated to Cllrs in pdf format with Agenda.	Members to verify

**WICKHAMBROOK PARISH COUNCIL**  
**Risk assessment and management (financial) for the period 1 April 2019 to 31 March 2020**

	excessive or to wrong party		Authorised signatories to check payment transaction against invoice before approving.	
Grants & support	No power to pay or no evidence of agreement of Council to pay	M	Minute Council agreement with the power used to authorize payment	RFO check Member verify
	Conditions agreed	L	Agree and document any reasonable conditions	RFO check
Election Costs	Invoice at agreed rate	L	RFO check and consider budget	RFO verify
VAT	VAT analysis	M	All items in cash book lists	RFO verify
	Charged on purchases	L	Consider all items per cash book lists	RFO verify
	Claimed within time limits	M	RFO to submit at least bi-annually Agree returns submitted	RFO verify
Reserves – General	Adequacy	L	Consider at Budget setting	RFO opinion. 3 year plan
Reserves – Earmarked	Adequacy	L	Consider at Budget and review of final accounts	RFO opinion Reserves have been considered at year end 2019-20 and adjustments made.
	Unidentified Earmarked or Contingent liability	L	Review minutes	RFO/member view
Assets	Loss, Damage etc	M	Annual inspection, update insurance and asset registers	Diary
	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Diary
	Loss of financial assets	L	The Council advises its insurers and introduces such further safeguards, such as increased fidelity insurance, as may be required by the Insurers.	RFO to advise
Staff	Loss of key personnel (Clerk)	L	Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate	RFO/member view 2 month contingency reserve added to 2020-21 budget

**WICKHAMBROOK PARISH COUNCIL**  
**Risk assessment and management (financial) for the period 1 April 2019 to 31 March 2020**

	Fraud by staff	L	Fidelity Guarantee value appropriately set	Council to review annually as part of insurance plan
Loss	Consequential loss due to critical damage or third party performance	L	Review adequacy of Insurance cover	Diary
Maintenance	Reduced value of assets or amenities – loss of income or performance	M	Annual maintenance inspection	Diary
Legal Powers	Illegal activity or payment	H	Educate Council as to their legal powers	Diary Financial Standing Orders updated August 2019
Financial Records	Inadequate records	L	RFO/clerk check regularly + internal audit review	Diary
Minutes	Accurate and legal	L	Review at following meeting	Diary
Members interests	Conflict of interest	M	Declarations of interest to be documented/minuted and any conflict addressed as appropriate	Diary Ensure Cllrs leave room when item under discussion if they have declared pecuniary interest.

Reviewed: 28 April 2020\_\_\_\_\_ Next Review date: March 2021

Approved and Adopted:

Cllr John Barton

Date:

Note: Risk assessment must be reviewed and adopted by council/meeting/board/body annually during the financial year and before 31 March.



**Wickhambrook Parish Council**  
**Final Accounts Financial Year 2019-2020**

		<b>Fixed and Long Term Assets</b>		
		As per Asset Register	<b>£ 193,108.38</b>	
		<b>Cash Reserves</b>		
		<b>Opening Reserves</b>	<b>£ 51,420.25</b>	
		Plus Receipts	£ 43,543.82	
		Less Payments	£ 39,876.40	
		<b>Closing Reserves</b>	<b>£ 55,087.67</b>	
		Represented by		
		<b>Cash at Bank</b>		
		Current #921	£ -	
		Business Reserve Account #397	£ 45,613.54	
		Business Reserve Account #419	£ 8,974.13	
		Unity Trust #931	£ 500.00	
		Uncashed Cheques	£ -	
		Petty Cash	£ -	
			<b>£ 55,087.67</b>	
<b>Receipts</b>				
Precept	£ 33,955.00			
Interest	£ 143.51			
Wayleaves	£ -			
Ground rents	£ 20.00			
Chapel Rent (Players)	£ 10.00			
VAT refund	£ 4,814.11			
Cemetery	£ 2,480.00			
Recycling Credits	£ 2,121.20			
Segregated Funds (Players)	-			
<b>Total Receipts</b>	<b>£ 43,543.82</b>			
<b>Expenditure</b>				
Administration	£ 13,100.42			
Services	£ 1,447.49			
S.137	£ 1,055.34			
Estates	£ 18,681.59			
Grants	£ 250.00			
VAT Paid	£ 4,330.96			
Recycling Contra's	£ 1,010.60			
	Adj.			
<b>Total Payments</b>	<b>£ 39,876.40</b>			
<b>Opening Reserves made up of:</b>		<b>Movement on Reserves:</b>	<b>Closing Reserves made up of:</b>	
<b>Operating Reserve</b>	£ 27,149.00	-£ 11,257.60	<b>Operating Reserve</b>	£ 15,891.40
Data Protection (New)	£ -	£ 770.00	Data Protection (New)	£ 770.00
Elections	£ -	£ 2,000.00	Elections	£ 2,000.00
Grounds Maintenance (New)	£ -	£ 450.00	Grounds Maintenance (New)	£ 450.00
Tree Surgery	£ -	£ 1,300.00	Tree Surgery	£ 1,300.00
Cemetery & Churchyard	£ -	£ 2,356.00	Cemetery & Churchyard	£ 2,356.00
Playground & Teen Project Maintenance	£ 2,366.00	-£ 1,350.73	Teen Proj./Playground Maint.	£ 1,015.27
Playground & Teen Project Replacement	£ 10,344.00	£ 2,406.00	Teen Project Replacement	£ 12,750.00
Playground Replacement	£ 2,913.00	£ 1,087.00	Playground Replacement	£ 4,000.00
Six Acres Development	£ 2,000.00	£ 500.00	Six Acres Development	£ 2,500.00
Memorial garden	£ -	£ 500.00	Memorial garden	£ 500.00
Legacy	£ 250.00	£ -	Legacy	£ 250.00
Day Club	£ 555.00	£ -	Day Club	£ 555.00
Neighbourhood Planning	£ 5,000.00	£ 2,000.00	Neighbourhood Planning	£ 7,000.00
Safety & Security matters	£ 843.00	£ 657.00	Safety & Security matters	£ 1,500.00
Highways	£ -	£ 2,250.00	Highways	£ 2,250.00
<b>Total</b>	<b>£ 51,420.00</b>		<b>Total</b>	<b>£ 55,087.67</b>

# Annual Governance and Accountability Return 2019/20 Part 3

## To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
  - The **Annual Internal Audit Report** is completed by the authority's internal auditor.
  - **Sections 1 and 2** are to be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published **before 1 July 2020**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2020**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2020
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2019/20

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2020 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide*\* which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report if possible before approving the annual governance statement and the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2020.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide*\*.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the period for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2020**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been published?		
	Has the bank reconciliation as at <b>31 March 2020</b> been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

\**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



# Annual Internal Audit Report 2019/20

## Wickhambrook 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.			NONE HELD
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.	✓		
<b>M. (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

24/06/20 25/06/20 DD/MM/YY

Name of person who carried out the internal audit

Dr Crimmis (on behalf of AELLS + LODGE)

Signature of person who carried out the internal audit

*[Signature]* SIGNATURE REQUIRED

Date

25/06/20

\*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:

ENTER NAME OF AUTHORITY

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.			<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 <i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*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:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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

AUTHORITY WEBSITE ADDRESS

## Section 2 – Accounting Statements 2019/20 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
			<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward			<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			<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			<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			<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			<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			<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			<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			<i>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></i>
9. Total fixed assets plus long term investments and assets			<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			<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.</i>
			<i>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

SIGNATURE REQUIRED

Date

DD/MM/YY

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

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED



## Section 3 – External Auditor Report and Certificate 2019/20

In respect of

ENTER NAME OF AUTHORITY

### 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

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