

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

UPTON WARREN 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 2018, that:

	Agreed		‘Yes’ means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

*Please provide explanations to the external auditor on a separate sheet for each ‘No’ response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

P.420 7/6/18

dated 7/6/18

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

Chairman [Signature]

Clerk [Signature]

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

Authority web address

www.uptonwarrenparishcouncil.org.uk

Section 2 – Accounting Statements 2017/18 for

UPTON WARREN PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	3.040	3057	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	2.802	2.080	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1.863	180	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	1.680	1680	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	—	—	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	2968	3076	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	3.057	561	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	3.057	561	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	—	—	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	—	—	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

[Signature]

Date 7/6/18

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

7/6/18

and recorded as minute reference:

P420 7/6/18

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

[Signature]

Section 3 – External Auditor Report and Certificate 2017/18

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 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2017/18

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with *Proper Practices* and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2017/18

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.

*We do not certify completion because:

External Auditor Name

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 for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Annual Internal Audit Report 2017/18

UPTON WARREN 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 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
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 investment registers were complete and accurate and properly maintained.			✓
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only)	Agreed? Please choose one of the following		
	Yes	No	Not applicable
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 sheet if needed).

NO PETTY CASH NO TRUSTS NO ASSETS OF SUBSTANCE

Date(s) internal audit undertaken

15 MAY 2017

Name of person who carried out the internal audit

IAIN A. SELKIRK FEA

Signature of person who carried out the internal audit

[Signature]

Date 27 5 2018

*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 next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

STATEMENT OF ACCOUNTS
 UPTON WARREN PARISH COUNCIL
 RECEIPTS AND PAYMENTS

SECTION 1

2017/2018

	Last Year	This Year	Diffce
1 Balances brought forward	3,040	3,057	
2 Annual Precept	2,802	2,080	
3 Other Receipts	1,863	180	
4 Staff Costs	1,680	1,680	
5 Loan interest and Capital Repayments	-	-	
6 Total Other Payments	2,968	3,076	
7 Balance carried forward	3,057	561	
8 Total Cash & Investments	3,057	561	
9 Total Fixed Assets	-	-	
10 Total Borrowings	-	-	

APPENDIX TO THE STATEMENT OF ACCOUNTS

2017/2018

UPTON WARREN PARISH COUNCIL

BANK RECONCILIATION

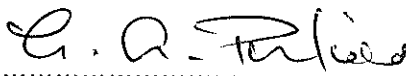
Opening Balance	3057.25
Receipts during the year	<u>2260.00</u>
	5317.25
Payments during the year	4756.25
Closing Balance	<u>£ 561.00</u>

Represented by the bank accounts as under:-

LLOYDS	292988			1743.15
	less o/s chqs	445	20.00	
		446	360.00	
		447	70.00	
		448	700.00	
		449	32.15	
all current				<u>1182.15</u>
				<u>£ 561.00</u>

Signed

Responsible Finance Officer.....



Date..... 7 - 6 - 18

INDEPENDENT INTERNAL AUDITOR'S REPORT TO THE MEMBERS OF

UPTON WARREN PARISH COUNCIL

YEAR ENDED 31ST MARCH 2018

I have examined the Council's records in the areas delineated in the attached schedule and made enquiries as deemed appropriate.

In my opinion the systems of internal controls is adequate for the purpose intended however there are is one matter to be brought to your attention.

It would appear that a substantial amount of Lengthsman income remains to be collected which will be necessary to boost funds


Iain Sefton FCA

Appointed Independent Internal Auditor

30.05.2018

**AUDITORS REPORT TO THE MEMBERS OF:-
UPTON WARREN PARISH COUNCIL**

31.03.2018

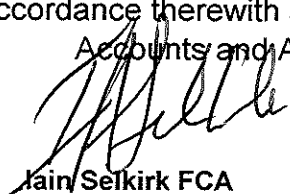
	Y/N	COMMENTS
	N/A	
1 a	Y	Is the cashbook maintained and up to date
b	Y	Is the cashbook arithmetic correct
c	Y	Is the cashbook regularly balanced and reconciled to the bank
2 a	Y	Have Standing Orders and Financial Regulations been formally adopted
b	N	Are Standing Orders and Financial Regulations regularly reviewed
c	Y	Has an RFO been appointed with specific duties
d	Y	Have items or services above a de minimis amount been competitively purchased
e	N	Has the Clerk authority to spend in emergencies
		From what level are quotes required
		From what level are tenders required
3 a	Y	Are payments in the cashbook supported by invoices, authorised and minuted
b	Y	Has VAT on payments been identified, recorded and reclaimed
c	Y	Is S137 expenditure separately recorded and within statutory limits
d	Y	Is S137 expenditure separately minuted as such
e	Y	Is the signing authority two or more councillors
f	N	Is the Clerk a signatory
g	Y	Are the counterfoils initialled by the signatories
h	Y	Are invoices vouched to payments
4 a	Y	Is there a procedure in place for the regular audit of internal controls
b	Y	Has a member of the Committee been appointed internal auditor
c	Y	Does he have a specific programme and does he report to meetings
5 a	N	Does scanning of the minutes identify any unusual activity
b	Y	Is the annual risk assessment minuted
c	Y	Is insurance cover appropriate and adequate
d	N	Are internal financial controls documented and regularly reviewed.
6 a	N	Has the Council prepared an annual budget in support of its precept
b	N/A	Is actual expenditure against budget regularly reported to the Council
c	N/A	Are there any significant unexplained variances from budget
		monthly
		too small

- 7 a Y Is income properly recorded and banked as promptly as possible
 b Y Does the precept recorded in the cash book agree to the District Councils notification
 c N/A Where income is raised by rental or lettings has the VAT position been clarified
 d N/A Are security controls over cash adequate and effective
- 8 a N/A Is petty cash spent recorded and supported by VAT invoices/receipts
 b N/A Is petty cash expenditure reported to each Council meeting
 c N/A Is petty cash expenditure reimbursed regularly
 d Y Or does the Clerk present petty cash with her expenses supported by VAT invoices/receipts
- 9 a Y Do salaries paid agree to with those approved by the Council
 b Y Has PAYE/NIC been properly operated by the Council as employer
 c Y Are other payments to the Clerk and staff reasonable and approved by the Council
 d N/A Where PAYE/NIC is not operated due to the low salary level has HMRC been informed
- 10 a N Does the Council maintain an Asset Register of all material assets owned
 b N/A Is the Register up to date
 c N/A Do the values agree to insurance valuations
 d N/A Are movements in Treasury Deposits accurately recorded
- 11 a Y Is each bank account reconciled on a regular basis
 b N Are there any unexplained balancing entries in any reconciliation
- 12 a Y Are accounts prepared on the correct accounting basis
 b Y Do the accounts reflect the cashbook entries
 c Y Is there an audit trail from the underlying financial records to the accounts
 d N/A Where appropriate have debtors and creditors been properly recorded
- 13 a Y Are minutes signed, initialled and pages sequentially numbered
 14 a N/A Do Burial receipts agree to the attendant Burial records
 b N/A Are rights or permissions properly recorded
- 15 a N/A Any evidence of fraudulent activity should be brought to the attention of the Chairman

no assets

**UPTON WARREN PARISH COUNCIL
REPORT OF THE INDEPENDENT INTERNAL AUDITOR
FOR THE YEAR ENDED 31 MARCH 2018**

I have examined the books and records of the Council as at 31 March 2018
Whilst I have not performed an audit I can confirm that the attached statements are
in accordance therewith and comply with all the requirements stipulated by the
Accounts and Audit Regulations 2011 and CIPFA guidelines



**Iain Selkirk FCA
Appointed Independent Internal auditor**

Malvern Worcester
May 2018

**UPTON WARREN PARISH COUNCIL
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	£	2017
RECEIPTS		
Precept	2,080.00	2,802.00
Support Grant		61.25
Grant WDC		-
Lengthsman	180.00	1,802.00
	<u>2,260.00</u>	<u>4,665.25</u>
PAYMENTS		
Staff Costs	1,680.00	1,680.00
Clerk Expenses	112.65	89.14
Insurance	257.60	251.85
Notice Board Repairs	91.00	-
Room Hire	120.00	100.00
Lengthsman	2,340.00	1,982.00
Churchyard		150.00
Fly Tipping Notice	60.00	
Donations		300.00
Audit Fees	95.00	95.00
	<u>4,756.25</u>	<u>4,647.99</u>
Deficit fo the year	- 2,496.25	17.26
General Fund B/fwd	3,057.25	3,039.99
General Fund C/fwd	£ 561.00	£ 3,057.25
Represented by:-		
Lloyds Bank	561.00	3,057.25
	<u>£ 561.00</u>	<u>£ 3,057.25</u>

Chairman

L. Smith

RFO

C. A. Phillips

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

- 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 (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed Annual Governance and Accountability Return. Any amendments must be approved by the authority, properly initialled and accompanied by an explanation. If the Annual Governance and Accountability Return 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 prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically requested. However, you **must** inform your external auditor about any change of Clerk, Responsible Finance 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 explanation.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs will be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- Please enter the authority's name **only** in Section 3 on Page 6. **Do not complete the remainder of that section**, which is reserved for the external auditor.
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the 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.

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 the dates set for the period for the exercise of public rights, been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes have been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', is an explanation provided?	✓	
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 provided?	✓	
	The bank reconciliation as at 31 March 2018 is agreed 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 is a sole managing trustee? NB: do not send trust accounting statements unless requested or instructed.		N/A

*More guidance on completing this annual return is available in *Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, which can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk