

Annual Internal Audit Report 2019/20

CATSHILL AND NORTH MARLBROOK 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.			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

11/05/2020

Name of person who carried out the internal audit

DIANE MALLEY

Signature of person who carried out the internal audit

Diane Malley

Date

11/05/2020

*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:

CATSHILL AND NORTH MARLBROOK 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.	✓			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, as a body corporate, 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 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:

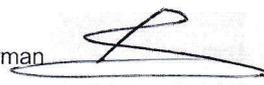
04/06/2020

and recorded as minute reference:

20/06-10 10:2

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

Chairman

 B. McEldowney

Clerk

 E. Blake

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

Authority web address

CATSHILL AND NORTH MARLBROOK - PC. GOV. UK

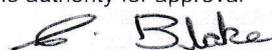
Section 2 – Accounting Statements 2019/20 for

CATSHILL AND NORTH MARLBROOK PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	56699	63090	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	46266	50596	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	18866	8118	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	16255	16337	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	42486	36823	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	63090	68644	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	63090	68644	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	34511	34820	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.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



Date

27/5/2020

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

04/06/2020

as recorded in minute reference:

20/06/10 10:13

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

 Bmc Eldowney

Section 3 – External Auditor Report and Certificate 2019/20

In respect of **CATSHILL AND NORTH MARLBROOK PARISH COUNCIL**

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

External Auditor Signature

Date

*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)

Bank reconciliation – pro forma

Name of smaller authority: **Catshill and North Marlbrook Parish Council**

County area (local councils and parish meetings only): **Worcestershire**

Financial year ending 31 March 2020

Prepared by Carol Blake RFO

Date_18/05/2020

Balance per bank statements as at 31 March 2020:		
Current Account	£	£
	68644.30	
Petty cash float (if applicable)		68644.30
Less: any un-presented cheques at 31 March 2020		
Add: any un-banked cash at 31 March 2020		
Net balances as at 31 March 2020 (Box 8)		<u>68644.30</u>

The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:

CASH BOOK:

Opening Balance 1 April 2019 (Prior year Box 8)	63089.54	
Add: Receipts in the year	58714.96	
Less: Payments in the year	53160.20	
Closing balance per cash book [receipts and payments book] as at 31 March 2019 (must equal net balances above – Box 8)		<u>68644.30</u>

Explanation of variances – pro forma

Name of smaller authority: **Cashill and North Meribrook Parish Council**
County area (local councils are): **Worcestershire**

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	56,699	63,090					
2 Precept or Rates and Levies	46,266	50,596	4,330	9.36%	NO		
3 Total Other Receipts	18,866	8,118	-10,748	56.97%	YES		This year the Bonfire Gate takings were £2463.46 lower than the previous year (£5084.65 2018, £2621.19 2019) due to the weather conditions fewer people attended the event. The VAT return for the two previous years were both received in 2018/19 Financial year totalling £5360.71. This year's VAT return was completed and received which totalled £3026.40 which was £2334.31 lower than previous year. Worcestershire County Council provided £1000.00 which was for funding for tree maintenance at War Memorial in 2018/19. Also 2018/19 a grant was requested for the ongoing Neighbourhood Plan Project during 2018/19 in order to complete the printing and distribution of the Phase two questionnaires to every household in the Parish. This was a further £4627.00 not received this year. Total Variance = -£10748 + £2463.46+2334.31+£1000.00+£4627.00 = £323.23 final variance @ 1.71% variance.
4 Staff Costs	16,255	16,337	82	0.50%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	42,486	36,923	-5,663	13.33%	NO		
7 Balances Carried Forward	63,090	66,644			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	63,090	69,644				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	34,511	34,820	309	0.90%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Catshill and North Marlbrook Parish Council

NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF UNAUDITED ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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

NOTICE

1. Date of announcement Tuesday 09th June 2020(a)

2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.

Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit 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 2020, these documents will be available on reasonable notice by application to:

(b) Carol Blake - Clerk and RFO
Catshill and North Marlbrook Parish Council
Parish Office, Catshill Village Hall
Golden Cross Lane
Catshill
Bromsgrove
B61 0JZ
01527 873266 / 07813 671899
parishclerk@catshillandnorthmarlbrook-pc.gov.uk

commencing on (c) Monday 15 June 2020

and ending on (d) Friday 24 July 2020

3. Local government electors and their representatives also have:

- 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.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:

PKF Littlejohn LLP (Ref: SBA Team)
1 Westferry Circus
Canary Wharf
London E14 4HD
(sba@pkf-littlejohn.com)

5. This announcement is made by (e) Carol Blake, Clerk and RFO