

Annual Internal Audit Report 2018/19

Pershore Town Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. (<i>"Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i>)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	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

28/04/2018 04/02/2019

Name of person who carried out the internal audit

Paula Sakalla AAT INTERNAL AUDITOR

Signature of person who carried out the internal audit

P. Sakalla

Date

18/04/2019

*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 2018/19

We acknowledge as the members of:

Pershore Town 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 2019, 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 should be published with the Annual Governance Statement.

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

16 05 19

and recorded as minute reference:

007(d)

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

Chairman

Clerk




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

Authority web address

www.pershoretowncouncil.gov.uk

Section 2 – Accounting Statements 2018/19 for

Pershore Town Council

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	184,919	207,858	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	184,617	196,390	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	800,692	490,883	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	129,081	134,356	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	55,165	55,165	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	778,124	500,747	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	207,858	204,863	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	200,074	196,452	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	3,351,172	3,257,291	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	261,871	211,470	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 2019 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date

16.05.19

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

16/05/19

as recorded in minute reference:

007(e)

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



**PERSHORE TOWN COUNCIL
BALANCE SHEET
MARCH 31ST 2019**

Long Term Assets	Note	
Investments (transferred to fixed assets)	1	
 Current Assets		
Debtors and prepayments	2	£3,557.45
VAT Refund due		£4,936.31
Cash at Bank	6	£154,061.99
Stained Glass window account	6	£2,607.91
Brokerage Account	6	£46,940.87
		<u>£212,104.53</u>
 Current liabilities		
Creditors and accruals	7	£82.30
Bank current account	6	£7,158.79
 NET ASSETS		 <u><u>£204,863.44</u></u>
 Cumulative funds		
b/f 1.4.18		£207,858.56
Plus income		£687,273.47
Less expenditure		£690,268.59
	8	<u><u>£204,863.44</u></u>

The statements on pages 1 to 7 represent fairly the financial position of the authority as at 31 March 2019 and reflect its income and expenditure during the year

Approved by the Council



Responsible Finance Officer



Mayor

Pershore Town Council

INCOME & EXPENDITURE for the year ended 31st March 2019

2018 INCOME		2019
184617 Precept		196,390.00
18817 Council tax grant		18,817.00
205 Bank interest		1,018.08
25872 Dividends Received		22,747.18
400872 Sale of Shares		259,763.31
5822 Allotment rents		5,476.00
3236 Other Rents		3,330.75
5513 Hire of Town Hall		5,476.00
738 Visitor Information Centre		1,018.92
8040 Christmas Lights and Hanging Baskets		8,340.00
389 Sundry Income		908.66
1191 Lengthsman Scheme		270.00
33684 Cemetery		32,795.22
10335 Stained Glass Window donations		11,524.18
167750 Sale of Lodge		
Armistice Concert		2,797.10
1203 Newsletter adverts		£1,239.00
190 Twinning		4,229.00
43154 Library revenue income		46,178.72
55000 Capital realised for library		55,000.00
3000 Capital for replacement street light columns		6,000.00
1077 Donations for Firework display		610.53
Grant for Public Transport Group		
500 Grant for Bands in the Park		500.00
3162 Grant for Town Plan		
10841 Rates refund		
Grant received in error		2,619.00
101 Youth Council		224.82
985309 TOTAL INCOME		687,273.47
EXPENDITURE	<i>Note</i>	
119106 Staff Costs		123,853.56
4698 Civic Expenses		10,755.10
8718 Investment Management Fees		5,963.18
24047 Administration including advertising & newsletter	9	17,877.06
6289 Town Plan		50.00
482308 Share purchases		147,293.76
55165 PWLB Loan Repayments		55,164.56
2000 Grants		2,000.00
3800 Grants (PGC)	4	6,811.00
1965 Other PGC		1,865.50
HLF refund		14,803.00
87939 Capital expenditure	9	130,067.42
166335 Other Running costs	9	173,764.45
962370 TOTAL EXPENDITURE		690,268.59
SURPLUS FOR THE YEAR		-2,995.12

PERSHORE TOWN COUNCIL

SUPPORTING NOTES MARCH 31ST 2019

ASSETS	Cost £
At 31 March 2019 the following assets were held:	
Capital investments	£660,878.00 market value £670647
Buildings	
Town Hall	£1,110,000.00 2004 Valuation
Pershore Library	£200,000.00 2012 Cost
Pershore library refurbishment at cost	£555,000.00 2013 cost
Land	
Town Hall site	£94,200.00 2004 Valuation
Land off King Georges Way (Let to Football Club)	£21,000.00 2004 Valuation
Avon Meadows	£112,500.00 2004 Valuation
Riverside Centre	£19,600.00 Cost
Improvements to St Andrews Gardens	£30,950.00 Cost
White Railings (Defford Road)	£42.00 Cost
Allotments, Nogains/Defford Road	£7,840.00 Insurance valuation
Land at Holloway	£20,000.00 2012 Cost
Land off Holloway	£84,840.00 2018 cost
Culvert, Water Feature and Garden	£6,000.00 Insurance valuation
Cemetery	£590.00 Cost
Stained Glass Window in Cemetery Chapel	£51,325.00 2019 cost
Car park at Cemetery field	£105,000.00 Cost
Field adjacent to Cemetery	£30,000.00 Cost
Parks & Street Furniture	£80,369.00
Office Equipment, computers and furniture	£41,424.00
Tools	£7,601.00
Motor Vehicle	£5,000.00
Mayoral chain, pendants and regalia	£13,132.00
Total Assets	£3,257,291.00

**PERSHORE TOWN COUNCIL
SUPPORTING NOTES
MARCH 31ST 2018**

2. DEBTORS

As at 31 March 2018 the following debts were due to the Council

Debtors and Prepayments

Hire of Town Hall	£740.50
Hire of Library	£1,808.95
Visitor Information Centre	£288.00
Newsletter advertisements	£54.00
Other rents	£16.00
Cemetery Fees	£650.00
	£3,557.45

3. TENANCIES

During the year the following tenancies were held:-

Council as landlord

Tenant	Property	Rent p.a.
Pershore Town Football Club	Land off King George's Way	£2,430.00
Wychavon District Council	King George Field (part)	£50.00
Wychavon District Council	Avon Meadows Car Park	£240.00
Pershore Riverside Youth Centre	Riverside Centre	£50.00
Avon Navigation Trust	White Railings	£30.00
Worcestershire County Council	Pershore Library	£11,159.00

4. POWER OF GENERAL COMPETENCE

Grants	£6,811.00
Bands in the Park	£1,865.50
Youth Council	
	£8,676.50

**PERSHORE TOWN COUNCIL
SUPPORTING NOTES
MARCH 31ST 2019**

5. PENSIONS

For the year of account the Council's contributions equal 27.7% of employees pensionable pay.

6. CASH AT BANK

Bank Accounts	
Current Account	
Business Premium Account	£37,876.09
Stained Glass Window Account	£2,607.91
CCLA instant access	£116,185.90
Share activity account	
Brokerage Account	£46,940.87
	<u>£203,610.77</u>

7. CREDITORS AND ACCRUALS

Creditors	£82.30
Accruals	
Bank current a/c	£7,158.79
	<u>£7,241.09</u>

8. CUMULATIVE FUNDS

Bal brought forward 1st April 2018	£207,858.56
Plus income	£687,273.47
	<u>£895,132.03</u>
Less expenditure	£690,268.59
Balance as at 31 March 2018	<u>£204,863.44</u>

**PERSHORE TOWN COUNCIL
SUPPORTING NOTES
MARCH 31ST 2019**

9. ANALYSIS OF EXPENDITURE

2018	2019
£ Administration	£
119106 Staff Costs	£ 123,853.56
4698 Civic Expenses	£ 10,755.10
8718 Investment Management fees	£ 5,963.18
3500 Newsletter	£ 3,500.00
6289 Town Plan	£ 50.00
482308 Share purchases	£ 147,293.76
11556 General Administration	£ 10,908.75
636175	£ 302,324.35
Capital Expenditure	
3099 Street Lighting columns	£ 6,252.72
84840 Land purchase	
Stained Glass Window	£ 51,325.00
I T Equipment	£ 6,886.00
Community Hall	£ 54,653.70
St Andrews Paths	£ 10,950.00
87939	£ 130,067.42
Running Costs	
7250 Insurance	£ 7,500.00
67743 Buildings & Repairs	£ 59,126.31
6943 Grounds and Allotments	£ 11,177.69
45026 Cemetery	£ 50,315.79
Street Lighting	£ 7,875.24
5959 Legal Fees	
922 Tourism	£ 466.17
2690 Audit fees	£ 2,290.00
591 Subscriptions	£ 1,178.31
1538 Vehicle expenses	£ 900.97
2000 Grant to CAB	£ 2,000.00
HLF Refund	£ 14,803.00
55164 PWLB repayments	£ 55,164.56
1500 Firework Display	£ 1,500.00
16395 Christmas Lighting	£ 15,240.12
18769 Floral Displays	£ 19,662.16
232490	£ 249,200.32
Power of General Competence	
2055 Bands in the Park	£ 1,865.50
182 Youth Council	
6850 Grants	£ 6,811.00
9087	£ 8,676.50
	£ 690,268.59

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree with the column headed "Year ending 31 March 2019" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are on a cash and payments basis. Please complete the highlighted boxes, remembering that un-presented cheques should be entered as negative numbers.

Name of smaller authority:

County area (local councils and parish meetings only):

Financial year ending 31 March 2019

Prepared by (Name and Role):

Date:

		£	£
Balance per bank statements as at 31/3/19:			
Current Account	account 1	126.00	
Savings Account	account 2	37876.09	
CCLA a/c	account 3	116185.90	
Stained Glass Window	account 4	2607.91	
Brokerage a/c	account 5	46940.87	
	account 6		
	account 7		
	account 8		
			203736.77
Petty cash float (if applicable)			0.00
Less: any un-presented cheques as at 31/3/19 (enter these as negative numbers)			
Cheque no 921	item 1	10.00	
963	item 2	6.00	
128	item 3	1128.00	
149	item 4	132.00	
160	item 5	225.00	
161	item 6	571.52	
162	item 7	66.95	
163	item 8	228.00	
164	item 9	66.94	
165	item 10	414.00	
168	item 11	74.77	
169	item 12	376.82	
170	item 13	38.11	
171	item 14	48.40	
173	item 15	399.89	
174	item 16	86.40	
175	item 17	122.76	
177	item 18	2017.81	
178	item 19	1271.42	
			7284.79
Add: any un-banked cash as at 31/3/19			
			0.00
Net balances as at 31/3/19 (Box 8)			196451.98