

Certificate of Exemption

To be completed only by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2018, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the authority has certified itself as exempt at a meeting of the authority after 31 March 2018 and a completed Certificate of Exemption is submitted notifying the external auditor.

certifies that during the financial year 2017/18, the higher of the authority's gross income for the year **or** gross annual expenditure, for the year did not exceed **£25,000**

Annual gross income for the authority 2017/18:

12790 = 43

Annual gross expenditure for the authority 2017/18:

12587 88.

There are certain circumstances in which an authority will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If an authority is **unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Part 3 to the external auditor to undertake a limited assurance review for which a fee of £200 +VAT will be payable.

By signing this **Certificate of Exemption** you are confirming that:

- The authority has been in existence since before 1st April 2014
- In relation to the preceding financial year (2016/17), the external auditor **has not**:
 - issued a public interest report in respect of the authority or any entity connected with it
 - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
 - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
 - commenced judicial review proceedings under section 31(1) of the Act
 - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If you are able to confirm that the above statements apply and that the authority neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and submitted to the external auditor.

The Annual Internal Audit Report, Annual Governance Statement, Annual Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on a public website* before 2 July 2018. **By signing this certificate you are also confirming that this will be done.**

Signed by the Responsible Financial Officer

Date

12/01/18

Signed by Chairman

Date

J Smadlock

21 05 18.

Email

Telephone number

*Published web address (not applicable to Parish Meetings)

07876194045

www.westbathwickpc.org.uk

This Certificate of Exemption should be returned as soon as possible after certification to your external auditor.

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

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

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

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

Finance meeting 4/5/18
dated *25/6/18*

Chairman
Clerk

J Shallock
CS-JDR

Section 2 – Accounting Statements 2017/18 for

WEST BUTTELEWICK PARISH COUNCIL


	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	43,347	41,360	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	NIL	NIL	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	95,944	127,900	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	21,988	25,244	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	93,833	99,871	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	41,360	41,638	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	41,360	41,638	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	274,514	274,514	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	NIL	NIL	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.
		<input checked="" type="checkbox"/>	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


Date 25/5/18

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


and recorded as minute reference: 45/18.

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


J Shallock.

Annual Internal Audit Report 2017/18

West Butterwick Parish Council

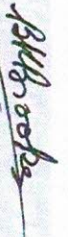
This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

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 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. (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: 17/04/18 & 11/06/18
 Name of person who carried out the internal audit: Brian Kenneth Brooks
 Signature of person who carried out the internal audit: 
 Date: 18/06/2018

* PLEASE SEE CHECKLIST & REPORT

**If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

West Butterwick Parish Council Internal Audit Report 2017/18

The Internal Audit was carried out at the Office of the Council on *17th April 2018* with the assistance and full co-operation of Clare Boyall the appointed Clerk from March 2018.

Julie Barker resigned March 2018 who had taken over from Kaite Fowler in 2017.

It is noted that Clare was appointed 19th March 2018 and was not involved with the administration and accounts during the 2017/18 Council Year.

Due to the various issues raised during the initial visit it was mutually agreed that Clare would discuss with council prior to completion of the audit.

To assist Clare with the task of regulating the custom and practices required for the Council for the 2018/19 year a draft copy of the Checklist was forwarded.

A return visit was carried out on *1st June 2018* to complete the Internal Audit and further advice Clare on various issues.

It was noted the vast progress made by Clare in regulating policies and systems for 2018/19 for which she should be commended, however there are still many issues to be resolved.

Part 2, para 5 (1) of the Accounts and Audit Regulations 2015 imposes a duty on Local Councils to “undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards or guidance”.

Internal audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial and other controls over a council's activities and operating procedures are effective.

At the request of the council I have conducted an Internal Audit review of the council's accounting records in respect of the financial year ended 31 March 2018. I have acted independently and, based on an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in place during the financial year.

The audit has been carried out in accordance with the council's needs and planned coverage. Based on the findings in the areas examined, the internal audit conclusions and recommendations have been recorded below utilising the ERNLLCA Check List 2017/18.

Accounts

The Section 2 Accounting Statements 2017/18 has been compiled utilising these accounts together with the External Auditors Report dated 22nd August 2017.

Policies & Procedures

The Council are in the process of preparing Draft Policies and Procedures to be presented to Council for adoption, the majority of which are templates from NALC & ERNLLCA.

Commented [bb2]:

Commented [bb2]:

Recommendations

Council to consider :-

- Produce and adopt Financial Regulations.
- Each Account Bank Mandate to include full signature and initials of signatories.
- Cheque counterfoils, copies of electronic payments, bank statements and invoices to be presented to council for referencing / approval and duly signed by the RFO and two Councillors.
- Legal Powers to be identified in the minutes and/or payments schedule.
- Committees Terms of Reference required for the ALL Committees.
- Review **ALL** Policies & Procedures at the APCM.
- Review the Insurance Policy annually prior to renewal.
- Format of Agendas and Minutes to be in accordance with LGA 1972 Sch12 and Localism Act 2011.
- The numbering of each year's minutes consecutively from the start to the end of the civic year would avoid confusion when referring to page numbers within the same civic year.
- Prepare and retain inspection reports for **ALL** areas of risk based on the items as listed in the Asset Register in accordance with Insurers requirements.
- Publish information as required by the Transparency Code.
- Comply with HMRC PAYE and NI regulations / requirements for all employees.
- Comply with the Pension Regulator requirements.
- Comply with Accounts and Audit Regulations 2015.
- Support Councillors and Clerk training in their respective Roles and Responsibilities.

It should never be assumed that all VAT can be recovered. Owing to the complexity of VAT legislation, it is recommended that advice be sought from HMRC when any new projects are undertaken, significant capital expenditure is being considered or any new matters arise.

The General Data Protection Regulation (GDPR) came into effect on 25th May 2018 which applies to Parish Councils. Council should prepare to comply with the Regulation by undertaking an audit of all personal data held for employees, councillors and public.

NLC has imposed stringent conditions for the receipt of a Council Tax Grant for 2018/19. Council should ensure that it fully considers the legal and financial implications of these conditions.

Summary

The adoption of the above recommendations will serve to strengthen systems, procedures and governance.

The Internal Audit has been conducted in accordance with the Governance and Accountability for Local Councils – Practitioners Guide 2016.

I confirm that I have no relationship or interest, financial or otherwise, with any member or officer of the council.

Section 4 of Annual Return Form completed and signed

Brian Brooks

16th June 2018

Brian Brooks CHCA