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Contact details

Name of smaller authority:

STAMBRIDGE PARISH COUNCIL

County Area (local councils and parish meetings only):

Essex

Please complete this form and send it back to us with the AGAR or exemption certificate

	Clerk/RFO (Main contact)	Chair
Name	B. SUMMERSFIELD	MR G. IOANNIDIS.
Address	SUTTON HALL COTTAGE, SUTTON ROAD, ROCHFORD Essex SS4 1LG.	'WINDSOR', LITTLE STAMBRIDGE HALL LANE, STAMBRIDGE, ROCHFORD Essex SS4 1EN
Daytime telephone number	01702 549308	07721 454 108
Mobile telephone number	—	
Email address	BSUMMIVINT@hotmail.com	CLUR_GEOORGIOANNIDIS@hotmail.co.uk.

Annual Internal Audit Report 2018/19

STAMBRIDGE 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 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.			* NO PETTY CASH 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 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			✓
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

14/06/19

Name of person who carried out the internal audit

DF Gammie (on BEHALF of HEW & LAR)

Signature of person who carried out the internal audit

DF Gammie

Date

14/06/19

*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).

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Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

STAMBOURNE 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 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.	✓		<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 should be published with the Annual Governance Statement.

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

25 / JUNE / 2019

and recorded as minute reference:

MINUTE 57 19-20 / iii

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.STAMBOURNEPC.CO.UK WEBSITE ADDRESS

(4)

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Section 2 – Accounting Statements 2018/19 for

STAMBRIDGE PARISH Council.

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	4,210	2,160	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. 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	28,867	29,767	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	34,261	6,753	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	7,170	6,750	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	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	58,008	21,196	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	2,160	10,734	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	2,160	10,734	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	42,345	42,345	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 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

25/6/19

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

25/6/19.

as recorded in minute reference:

MINUTE: 571920 fiv

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



Section 3 – External Auditor Report and Certificate 2018/19

In respect of

STAMBRIDGE 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 2019; 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 2018/19

(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 2018/19

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 2019.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DATE REQUIRED

*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)

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CONFIRMATION OF THE DATES OF THE PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

Name of smaller authority:

STAMBRIDGE PARISH COUNCIL

County Area (local councils and parish meetings only):

ESSEX

On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on

1st JULY 2019

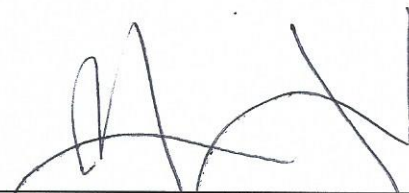
and ending on

9th AUGUST 2019

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2019 (i.e. Monday 1 July – Friday 12 July).

We have suggested the following dates: Monday 17 June – Friday 26 July 2019. The latest possible dates that comply with the statutory requirements are Monday 1 July – Friday 9 August 2019.)

Signed:



Role:

BRUNNENFELD PARISH CLERK / RFO

This form is only for use by smaller authorities subject to a review:

Please submit this form to PKF Littlejohn LLP with the AGAR Part 3 and other requested documentation – this form is not for publication on your website.

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Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It **must** column headed "Year ending 31 March 2019" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be er figures.

Name of smaller authority:

Stambridge Parish Council

County area (local councils and parish meetings only):

ESSEX.

Financial year ending 31 March 2019

Prepared by (Name and Role):

Barry Summerfield Parish Clerk/RFO.

Date:

7th June 2019

Balance per bank statements as at 31/3/19:

		£	£
	account 1 Community Account	9,320.2	
	account 2 Deposit Account	1,911.0	
	account 3 NSI Account	34.4	
	account 4		
[add more accounts if necessary]	account 5		
	account 6		
	account 7		
	account 8		
		11,265.6	11,265.6

Petty cash float (if applicable)

-

Less: any unpresented cheques as at 31/3/19 (enter these as negative numbers)

	item 1 Cheque: 056	26.80	
	item 2 Cheque: 057	66.49	
	item 3 Cheque: 058	408.00	
	item 4 Cheque: 060	30.00	
[add more lines if necessary]	item 5		
	item 6		
	item 7		
	item 8		
		531.3	531.30

Add: any un-banked cash as at 31/3/19

Net balances as at 31/3/19 (Box 8)

10,734.3

Explanation of variances – pro forma

2 Name of smaller authority/STAMBRIDGE PARISH COUNCIL

3 County area (local councils and ESSEX

4 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).

	2017/18	2018/19	Variance	Explanation Required
	£	£	£ %	
1 Balances Brought Forward	4,210	2,160		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13	28,867	29,767	900 3.12%	NO
14				
15	34,261	6,753	-27,508 80.29%	YES
16				
17				
18	7,170	6,750	-420 5.86%	NO
19				
20	0	0	0 0.00%	NO
21				
22	58,008	21,196	-36,812 63.46%	YES
23				
24				
25	2,160	10,734		NO
26				
27	2,160	10,734		
28				
29	42,345	42,345	0 0.00%	NO
30				
31	0	0	0 0.00%	NO
32				
33				
34				
35				

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

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1	
2	
3	
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5	
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7	
8	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES
9	
10	
11	Explanation of % variance from PY opening balance not required - Balance brought forward agrees
12	
13	
14	
15	In 2017-2018 - The 2015 Community Initiatives Fund Grant of £20,000 was claimed in 2017, to offset the costs of the Stambidge Memorial Hall roof refurbishment - Vat @ £8,334 was claimed -
16	Memorial Hall Trust (SCCMC) invoices were paid and repaid @ £2,607 - Allotment receipts were at £1,744
17	In 2018-2019 - Allotment income @ £1,610 - Memorial Hall Trust (SCCMC) @ £427 - RDC Grant @ £1,135..
18	
19	
20	
21	
22	In 2017-2018 - Bus Shelter costs at £5,228 - Memorial Hall roof repairs @ £29,084 - Fishing program @ £4,429 - Streetlighting repairs @ £1,488.
23	In 2018-2019 - Fishing Program @ £2,794 - Allotments @ £1,186 - Street lighting @ £1,199.
24	
25	
26	
27	VARIANCE EXPLANATION NOT REQUIRED
28	
29	
30	
31	
32	
33	
34	
35	

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Stambbridge Parish Council - 2018/19

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

Income: £36,520 Expenditure: £27,946 Reserves: £10,734

AGAR Completion:

Section One: Yes – but not signed or dated

Section Two: Yes – but not signed or dated

Annual Internal Audit Report 2018/19: Yes

Certificate of Exemption: Not applicable.

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

All were found to be in order. VAT payments are tracked and identified within the HMRC claim process however the cashbook does not show the VAT value separately. Supporting paperwork is in place and well referenced.

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: 30th May 2018 Minute 13 & 6th September 2018 Minute 89i & 29th November 2018 Minute 139 & 21st February 2019 Minute 198iii
Financial Regulations in place: Yes
Reviewed: 30th May 2018 Minute 14 & 6th September 2018 Minute 89i & 21st February 2019 Minute 198ii

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: No

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

Recommendation (1): To update Standing Orders to incorporate reference to the Public Contracts Regulations 2015.

Contact details : 52 Parkway, Wickham Market, Suffolk, IP13 0SS

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy



Recommendation (2): *It is a requirement for a VAT column to be maintained in the cashbook where recoverable VAT is shown.*

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 – Z2802404 – Expiry 09/08/2019

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. The council has updated its risk assessment so that the impacts of GDPR are taken into account.

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment was reviewed on 30th May 2018 Minute 16 & 6th September 2018 Minute 89iii & 21st February 2019 Minute 198i. Internal controls were reviewed on 21st June 2018 Minute 40ix and 26th July 2018 Minute 59ii.

The council is not responsible for the play equipment at the Memorial Hall.

The Council have satisfactory 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.

Fidelity Cover: £150,000

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

Transparency Code

Compliance for smaller councils with income/expenditure under £25,000.
Smaller authorities should publish on their website from 1 April 2015:

Smaller Council: No
Website: www.stambridgepc.co.uk

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

Budgetary controls

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

Precept: £30,900 (2018/2019) Date: 25th January 2018 Minute 197i

Precept: £32,000 (2019/2020) Date: 17th January 2019 Minute 169iii

Satisfactory 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.

Petty Cash

Associated books and established system in place

No Petty Cash held

A satisfactory expenses system is in place with supporting paperwork.

Payroll controls

PAYE and NIC in place where necessary.

Compliance with Inland Revenue procedures

Records relating to contracts of employment

PAYE System in place: Yes - PAYE Tools

The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork but a P60 has not been produced as part of the year end process. The Council has not joined the LGPS or NEST pension scheme.

Recommendation (3): *Copy of P60 to be maintained in Audit File as part of year-end process.*

At the meeting held on 26th April 2018 Minute 269ii the Clerk's hours were increased to 11 per week. The Clerk's job grade was increased from SCP 28 to SCP 29, with the hourly rate increase from 1st April 2019, at the meeting held on the 21st February 2019 Minute vii.

Asset control

Inspection of asset register and checks on existence of assets

Cross checking on insurance cover

A separate asset register is in place. Values are recorded at cost value. The total value of assets are recorded at £42,345. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation Regularly completed and cash books reconcile with bank statements

All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts. Bank balances as at 31st March 2019 were confirmed as:

Metro Bank	£9,320.18
Metro Business	£1,910.99
NSI	£ 34.42

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

The Council have general reserves of £10,734 which is 33% of the 2019 / 2020 Precept.

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.

Sole Trustee The Council has met its responsibilities as a trustee

The Council is sole trustee for the Stambridge Community Centre (Charity Commission No 230662)

Financial year end (FYE)	Income	Spending	Accounts received	Annual Return/Annual Update received	View
31 Mar 2018	£41,470	£34,972	31 Jan 2019	12 Nov 2018	Accounts

Internal Audit Procedures

The Council reviewed the effectiveness of the internal audit at a meeting held on 21st June 2018 Minute 40ix.

The Internal Audit report was not considered by the Council at a meeting held during the year of Audit.

Recommendation (4): *It is a requirement to review the Internal Report when received and minute the actions that the council is to take.*

Heelis & Lodge were not appointed as the Internal Auditor at a meeting held during the year of Audit.

External Audit

The External Auditor's report was considered by the Council at a meeting held on 25th October 2018 Minute 117iii.

There were no matters raised by the External Auditor in relation to the 2017 - 2018 External Audit.

Period of Exercise of Public Rights

Start Date 18th June 2018 End Date 27th July 2018

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 30/05/2018, 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 and for his assistance during the course of the audit work.

Dave Crimmin

Dave Crimmin PSLCC
Heelis & Lodge
14th June 2019