

ST CLEER PARISH COUNCIL

AUDIT REPORT 2017 /2018

Audit Exception Report

Our Annual Audit is now completed and appropriate certification awarded

This year the Annual Governance and Accountability Return 2017/18 Part 3 created an exception report which means that exceptions have been stated. We are happy to be transparent about this and this statement along with the auditor's report shows the Parish's response and the exact nature of the exceptions.

The AGAR was returned late; the new Clerk commenced in post in March and the requirement for AGAR (which was in a new format) was not picked up in the Induction Period. As such, internal audit, consultation and agreement by Parish delayed the return and exercise of public rights was later than July 2018.

The Parish suffered a major data loss in late 2017; as a result, an anomaly in the accounts could not be fully justified to the auditor. PFK Littlejohn have been advised of this and have closed the audit with this matter stated.

At the meeting of the FGPC on 13th February the comments of the external auditors were examined and it was concluded that the new arrangements, in place since October but pertaining to the full 2018/2019 year, will prevent this in the future.

In October 2018, Parish purchased and installed RIALTAS software to manage the auditing requirements identified and Parish is entirely satisfied, as are the support company RBS Software, that the return for 2018-2019 will meet any and all recommendations in this audit and indeed exceed the standards required for both internal and external audit

Fraud Transparency Statement for 2017/2018

It is confirmed that:

0 employees undertaking investigations and prosecutions of fraud

0 professionally accredited counter fraud specialists

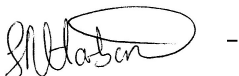
£0 spent by CTC on the investigation and prosecution of fraud

0 fraud cases investigated

Local Council Award Scheme

St Cleer is committed to its aim of attaining quality assurance kitemarking from the Local Council Award Scheme when it is eligible to apply (after the local elections in 2020); until that time, we will continue to improve as a Council and be responsive to the residents of St Cleer and the future residents of our Parish

Agreed at meeting 13/02/19

A handwritten signature in black ink, appearing to read 'S. H. H. H.', followed by a horizontal line.

St Cleer Parish Council

Notice of conclusion of audit Annual Return for the year ended 31 March 2018

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
1. The audit of accounts for St Cleer Parish Council for the year ended 31 March 2018 has been completed and the accounts have been published.	This notice and Sections 1, 2 & 3 of the AGAR must be published by 30 September. This must include publication on the smaller authority's website.
2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of St Cleer Parish Council on application to: (a) <u>E: CLERK@STCLEERPARISHCOUNCIL.GOV.UK</u> <u>WWW: STCLEERPARISHCOUNCIL.GOV.UK</u> (b) <u>POST: 35 KILMAR WAY, ST CLEER</u> <u>PL14 5LU.</u>	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR (b) Insert the hours during which inspection rights may be exercised
3. Copies will be provided to any person on payment of £ <u>1.00</u> (c) for each copy of the Annual Governance & Accountability Return.	(c) Insert a reasonable sum for copying costs
Announcement made by: (d) <u>Roni Jones Clerk</u>	(d) Insert the name and position of person placing the notice
Date of announcement: (e) <u>31/1/2019.</u>	(e) Insert the date of placing of the notice

Section 2 – Accounting Statements 2017/18 for

RESTATED FIGURE

	Year ending		Notes and guidance				
	31 March 2017	31 March 2018					
1. Balances brought forward	100,125	92,975 ⁶²⁴	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or nil balances. All figures must agree with 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	50,101	52,585	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.				
3. (+) Total other receipts	24,208	24,753	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	24,761	21,817	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	56,698	34,762	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	92,975	113,383	Total balances and reserves at the end of the year. Must equal (1+2)-(4+5).				
8. Total value of cash and short term investments	95,208	113,383 ^{92,624}	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	383,847	383,847	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	398,523	The outstanding capital balance as at 31 March of all loans from third parties (including P.W.B).				
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	<table border="1"> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td></td> <td>✓</td> </tr> </table>		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.
Yes	No						
	✓						

The stated figure agrees with Box 7 of the previous year as required, this figure was £351 different to the actual bank reconciliation

St Cleer uses a cash basis for the accounts and as such these figures must be the same

Auditor notes that this figure was understated in the last year's accounts and the error carried forward

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

J. Jones

Date 8/8/18

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

8 AUGUST 2018

and recorded as minute reference:

(8)

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

M. Brown

Final External Auditor Report and Certificate 2017/18 in respect of St Cleer Parish Council – CO0132

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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.

External auditor report 2017/18

On 27/09/18 we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2018. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review. The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR 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.

The smaller authority failed to approve the AGAR in time to publish it before 2 July 2018, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Section 2, Box 8 does not agree to the cash book figure on the bank reconciliation. The figure in Box 8 should read £113,383. In addition, the figure in Section 2, Box 8 of the prior year comparative column does not agree to the prior year final signed Annual Return. This figure should read £92,624.
- Section 2, Box 7 for the current year does not agree to Boxes 1+2+3-(4+5+6) and an adequate explanation has not been provided by the smaller authority. The difference would appear to relate to the net of debtors and creditors as at 31 March 2017 which would suggest that these have not been accounted for correctly within the year ended 31 March 2018.
- The figure in Section 2, Box 9 in the prior year comparative column does not agree to the prior year final signed Annual Return. It would appear that this is a transcription error as the figure from 2015/16 has been input in error. As there was no movement in fixed assets in the current year, this figure has been carried forward in to the current year Box 9. This means that both the prior and current year figures in Section 2, Box 9 have been understated by £14,678 and should read £398,523.

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

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2018/19 for the exercise of public rights, since the period for the exercise of public rights did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2018/19 and ensure that it makes proper provision for the exercise of public rights during 2019/20.

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**Final External Auditor Report and Certificate 2017/18 in respect of
St Cleer Parish Council – CO0132**

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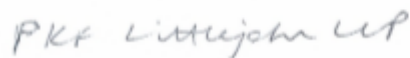
The smaller authority has not provided:

- an adequate explanation for the difference between Section 2, Boxes 7 and 8. After the amendments to the figures mentioned above, this difference is £351, which is the net amount of debtors and creditors brought forward from the prior year. We have not received an adequate explanation of why this difference is still carried forward and whether or not there are any debtors or creditors at 2017/18 year end.
- An adequate explanation of why the breakdown of expenditure provided does not agree to the value of Boxes 4 + 6 for the current year.

In the completion of the Annual Internal Audit Report, and their detailed reports, the internal auditor has drawn attention to significant weaknesses in respect of the cash book and periodic bank reconciliations. The smaller authority has confirmed it has now implemented solutions to these weaknesses.

External auditor certificate 2017/18

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.



PKF Littlejohn LLP
14/12/2018