

# Annual internal audit report 2016/17 to

Enter name of  
smaller authority here:

COPYTHORNE PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.		✓	
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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.			N/A none needed
G. Salaries to employees and allowances to members were paid in accordance with this smaller 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)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

SEE SUPPLEMENTARY SHEET PROVIDED FOR DETAILED INFORMATION

Name of person who carried out the internal audit

TIM LIGHT FMAAT

Signature of person who carried out the internal audit

[Redacted Signature]

Date

23/06/2017

\*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, internal audit must explain why not (add separate sheets if needed).

## Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of  
smaller authority here:

COPYTHORNE PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including 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 2017, that:

	Agreed		'Yes' means that this smaller 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.		No	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.	Yes		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 smaller authority to conduct its business or on its finances.	Yes		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.	Yes		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 smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		No	considered the financial and other risks it faces and has 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.	Yes		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.	Yes		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 smaller authority and, where appropriate have included them in the accounting statements.	Yes		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	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
		NA	
		✓	

This annual governance statement is approved by this smaller authority on:

27/6/17

and recorded as minute reference:

32A

Signed by Chair of meeting where approval is given:

Clerk:

\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

## Section 2 – Accounting statements 2016/17 for

Enter name of  
smaller authority here:

COPYTHORNE PARISH COUNCIL

REINSTATED 2015/16

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	20719	20576	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	14700	14995	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	4859	8297	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	8529	8201	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 smaller authority's borrowings (if any).
* 6. (-) All other payments	11173	14980	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	20576	20687	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	20576	20687	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	8668	9031	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
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 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 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

[Redacted Signature]

Date

27-6-17.

I confirm that these accounting statements were approved by this smaller authority on:

27/6/17.

and recorded as minute reference:

32 B

Signed by Chair at meeting where approval is given:

[Redacted Signature]

\* RECEIPTS & PAYMENTS BASIS.

**COPYTHORNE PARISH COUNCIL****BANK RECONCILIATION AS AT 31 MARCH 2017**

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<b>Opening balances: (31 March 2016)</b>	£	£
Savings Account	19,602.51	
Current Account	<u>1,116.21</u>	
	20,718.71	
Less unpresented cheques	143.00	
	<u>20,575.71</u>	20,575.71
<b>Add:</b> Receipts as per Cash Book		<u>23,291.69</u>
	Sub Total	43,867.40
<b>Less:</b> Payments as per Cash Book		23,180.11
	<b>Total</b>	<u><b>20,687.30</b></u>

**Bank accounts as at 31 March 2017**

Savings Account	17,622.93	
Current Account	<u>3,119.47</u>	
	20742.4	
Less unpresented cheques	55.10	
	<u>20,687.30</u>	
	<b>Total</b>	<u><b>20,687.30</b></u>

**Unpresented Cheques**

Chq No	Payee	Amount £
501076	CPRE	36.00
501083	Hordle PC	19.10
<b>Total</b>		<b>55.10</b>

Signed .....  
Chairman

Signed .....  
Responsible Financial Officer

Date .....

Date .....

Copythorne Parish Council  
Supplementary Information on Smaller Authorities Controls  
Annual Governance Statement 2016/17

Although there were some significant issues at Copythorne Parish Council during 2016/17, the new Parish Clerk/ RFO (appointed 1<sup>st</sup> April 2017), has already identified these risks and has put in place (with assistance from the Internal Auditor), measures to address the items shown as “NO” on the statements in the Annual Governance Statement 2016/17.

Box 1 – We have put in place the arrangements for effective financial management during the year, and for the preparation of the accounting statements.

Inaccuracies in the recording of both receipts and payments cashbook reporting during the early months of the 2016/17 year, were identified by the new Clerk/RFO and the Internal Auditor. Please see supplementary Information provided for Section 3, Internal Audit Report, Action Plan Recommendations items 1.1; 1.2; 1.3.

Box 5 – We carried out an assessment of the risks facing this smaller authority and took the appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

Copythorne Parish Council has comprehensive insurance cover in place and does carry out regular inspections of assets in public use. However, these inspections have not been formally recorded in the Council Minutes.

Please see supplementary Information provided for Section 3, Internal Audit Report, Action Plan Recommendations item 3.1.

Copythorne Parish Council  
Supplementary Information on Smaller Authorities Controls  
Accounting Statements 2016/17 - Significant Variances 2016/17 to 2015/16

**Box 3 Total Other Receipts +£3,438 (+71%)**

District Councillor Grants	+ £750
County Councillor Grant	+ 2,500
VAT	+156
Bank Interest	+20
Sub Total	<u>+3,426</u>
Rounding's	+12
Total	<u>+3,438</u>

**Box 6 All Other Payments +£3,807 (+34%)**

Payment County Councillor Grant (Friends of Copythorne Playground)	+2,500	
Payment District Councillor Grant (Received Year 2014/15)	+150	
Clerks' Mileage	+336	
Office Telephone/Email Costs	+302	
SLCC New Membership	+128	
Lengthsman (Copythorne)	+112	
HALC/NALC Subscriptions	+57	
Audit Charges	+35	
Parish Hall Telephone/BB	+25	
Sub Total	<u>+3,645</u>	
Unexplained	+162	(Miscellaneous small value items)
Total	<u>+3807</u>	

Copythorne Parish Council  
Supplementary Information on Smaller Authorities Controls  
Annual Internal Audit Report 2016/17

Although there were some significant issues at Copythorne Parish Council during 2016/17, the new Parish Clerk/ RFO (appointed 1<sup>st</sup> April 2017), has already identified these risks and has put in place (with assistance from the Internal Auditor), measures to address the items shown as “NO” on the statements in the Annual Internal Audit Report 2016/17.

Tim Light FMAAT

Land and Buildings

Copythorne Parish Council currently neither owns nor leases any land or buildings

Section 137 Grant Awards

The Expenditure Limit for Grant Awards under the Local Government Act 1972, S137 (4)(a) for the Year 2014/15 is calculated as follows: -

Copythorne Civil Parish Electorate Number = 2303 (As Per NFDC Democratic Services)

Sum for purposes of Section 137(4)(a) for 2014/15 = £7.42 per (NALC Legal Briefing L03-13, March 2016)

Therefore  $2314 \times £7.42 = \text{Maximum Total Spend of } £17,169.88$

A Total Value of £530.00 was awarded for the year 2016/17 as Section 137 Grants as follows: -

St Mary's Church Memorial Clock	£500.00
Royal British Legion - Poppy Wreath	£30.00

Asset Value as @ 31st March 2017

Copythorne Parish Council's Total Proxy Cost Asset Value = £9,031 as @ 31 March 2017  
Box 9 on External Audit Return)

Earmarked Reserves

Copythorne Parish Council holds earmarked reserves to the value of £11,000.00

These are described as follows: -

Donated Funding for Adopted Telephone Boxes	1,000.00
Parish Council Playground Donation	1,000.00
Dist.Cllr Grants for Playground	750.00
Parish Council Playground Start Up Allocation	2,000.00
Bench Maintenance/Replacement	2,000.00
Parish Hall External Games Area	2,000.00
High Volume Printer	1,000.00
Waste Bins	500.00
Parish Council Chair's Allowance	750.00

### Lengthsman Scheme

Copythorne acts as lead Parish, administering the HCC Highways Lengthsman Scheme on Behalf Of: -

Copythorne Parish Council

Bramshaw Parish Council

Netley Marsh Parish Council

Wellow Parish Council

**COPYTHORNE PARISH COUNCIL****Summary of Receipts and Payments for the year ending 31 March 2017****Receipts****Balances at 1 April 2016**

Current Account	1,116.21	
Savings Account	19,602.51	
Less Unpresented Cheques	(143.00)	
<b><u>Total</u></b>		<b><u>20575.71</u></b>

Precept Payment	14,995.00
Government Grant	155.00
VAT Repayment	471.27
Lengthsman	4,400.00
Bank Interest	20.42
Dist Cllr Grant Funding	750.00
C.Cllr Grant Funding	2,500.00
Other	-

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<b>Total Receipts for Year</b>	<b>23,291.69</b>
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<b><u>Totals</u></b>	<b><u>43,867.40</u></b>
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**Payments**

Clerks Salary etc	7,880.60
VAT	364.36
Gen Admin	734.91
HALC/Nalc Subs	732.00
SLCC	128.00
GIS	100.00
Bank Charges	-
Stationery/Postage	389.66
IT Equipment	547.50
Room Hire	295.00
Parish Hall Phone & Broadband	424.63
Lengthsman - Copythorne	2,112.00
Lengthsman - Other	2,360.00
Lengthsman - Admin	400.00
Splitwind Pond	280.00
Grants (S.107)	530.00
Parish Council Insurance	353.11
Parish Council Website	360.00
Office Allowance	320.01
Office Phone / Email	734.67
Mileage	885.66
Audit Costs	275.00
Training	185.00
Notice Boards/Publicity	138.00
Asset Purchase	-
Adopted Telephone Boxes	-
Elections	-
Chairman's Allowance	-
Projects	
Grants (D/C Cllr - Playground)	2,650.00
Other	

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<b>Total Payments in Year</b>	<b>23,180.11</b>
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**Balances at 31 March 2017**

Current Account	17,622.93
Savings Account	3,119.47
(Less Unpresented Cheques)	(55.10)
<b><u>Total</u></b>	<b><u>20,687.29</u></b>

<b><u>43,867.40</u></b>
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