

# Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of  
smaller authority here:

WHELORAKE 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.	✓		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 smaller authority to conduct its business or on 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 smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		✓	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.		✓	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 smaller 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	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:

26/07/2017

and recorded as minute reference:

17008 d. 4.

Signed by Chair at 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:

WHELDRAKE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	51811	16382	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	15698	39596	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	14082	46373	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	3000	3803	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	62209	88657	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	16382	9891	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	16382	9891	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	2	2	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:

Date

26/07/2017

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

26/07/2017

and recorded as minute reference:

17008 d.5

Signed by Chair at meeting where approval is given:



## Section 3 – External auditor report and certificate

In respect of:

Enter name of  
smaller authority here:

WHELDRAKE PARISH COUNCIL

### 1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual 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. 2016/17 External auditor report (NY0606)

Except for the matters reported below, on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met.

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

- Section 2, Box 9: Information received from the smaller authority indicates that assets purchased during the prior year have not been included in Box 9. However, the smaller authority has confirmed that they are undertaking an exercise to review and revise the fixed asset register;
- The smaller authority failed to approve the Annual Return in time to publish it before by 3 July 2017, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1.

Other matters not affecting our opinion which we draw to the attention of the smaller 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 2017/18 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 2017/18 and ensure that it makes proper provision for the exercise of public rights during 2018/19.
- In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to significant weaknesses in relation to internal controls. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.
- The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 2,3 and 5, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.
- The internal auditor is not independent of the financial decision making, management and control of the smaller authority. The smaller authority has disclosed this by answering 'No' to Section 1, Box 6.

### 3. 2016/17 External auditor certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

External auditor signature

PKF Littlejohn LLP

External auditor name

PKF Littlejohn LLP

Date

28 September 2017

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))



# Annual internal audit report 2016/17 to

Enter name of smaller authority here:

WHELDRAKE 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.	None	kept	N/A
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.	✓	✓	No evidence of adequate audit trail N/A
K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			Not applicable ✓

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)

Please see enclosed report and findings.

Name of person who carried out the internal audit FLORENCE MARY AINE FARMAN

Signature of person who carried out the internal audit [Signature] Date 21/07/2017

\*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).



# INTERNAL AUDIT REPORT

Mrs F Mary A Farman. MILCM. CiLCA.  
Three Greens. The Green. Gateforth. Selby. YO8 9LF  
Tel: 01757 228325: e-mail: [parish.councilfmaf@yahoo.com](mailto:parish.councilfmaf@yahoo.com)

21<sup>st</sup> July 2017

To:  
Wheldrake Parish Council

Dear Councillors

## Wheldrake Parish Council Internal Audit Report; Year End 31 March 2017


Having completed the internal audit for Wheldrake Parish Council on 21<sup>st</sup> July 2017 in accordance with the 'Governance and Accountability for Local Councils, 2016, Regulations' and using the enclosed list of questions I would like to bring the following points to the Council's attention:

- ☛ I have had to say 'no' to statement no. B on the Internal Auditor's section of the External Audit form because not all payments are supported by invoices and not all expenditure was approved in the minutes. I have also had to say 'no' to statement no. G because I could find no evidence of approval for the clerk's pay increase nor of any PAYE or NI requirements being properly applied.
- ☛ The council should say 'no' to statement no. 6 on the Governance section because the internal audit should be carried out by a totally independent and objective person.
- ☛ Cheque stubs:
  - i. All should be initialled by the councillors who are signatories to the account.
  - ii. All alterations should be initialled by the signatories. For example, cheque no. 100149 had the date changed from 30 March to 1 April. This alteration was not initialled.
  - iii. 100175 – the stub says 'GOPAK TABLES etc' but the invoice says '@Church buying group'. This differs from the stub.
  - iv. 100184 – WRA grant; there appears to be no paperwork or receipts to support/explain this.
  - v. 100188 – Youth Club Grant; again, there appears to be no paperwork or receipts to support/explain this.
  - vi. 100198 – PCC grant; no paperwork or receipts.
  - vii. 100199 – DR expenses; handwritten notes provided; no indication of authenticity of order or expenses.
- ☛ Clerk issues:
  - i. I could find no record of the council agreeing to the clerk being paid by standing order or to the council approving a pay increase from £250 to £300 per month.
  - ii. In any event, pay should not be made by standing order.
  - iii. Equally, I can find no record of payments to HMRC, no NI payments and no registration with the Pensions Regulator
  - iv. All expenses should be detailed; for example, cheque 100177 states £28.82 expenses plus £200 arrears with no explanation of what the arrears entail; the minutes state £28.82 but the cheque is made out for £228.82
- ☛ Receipts/Invoices:
  - i. I could find no pay statements/receipts for the clerk's pay;  
There are no HMRC records pertaining to the clerk's pay; there is no reference to any

- registration with the Pensions Regulator;
- ii. Neither of the Elvington Park Building Services invoices states exactly what work was carried out;
- iii. There is no invoice stating the actual amount due to the CPRE
- iv. There is no evidence of the receipt of grants from WRA, of £1,250 and £110, other than that of the relevant bank statements.
- v. I have concern about the receipt from Yorkshire Water paid in to the PC account but not made out to Wheldrake PC

 Minutes:

- i. Loose leaf minutes must be numbered consecutively, ie from 1-100etc., and each page should be initialled by whoever chairs the meeting with the last page being signed and dated.
- ii. I could find no record in the September minutes of the council agreeing to the clerk's pay rise, or could I find any record of such a request in earlier minutes.

 Insurance

- i. Council needs to check the amount paid and the listed assets. The premium seems a little high compared with the listed assets.

Councillors, the above list of queries seems quite a daunting amount. You need to address the various issues in order of priority.

I am, however, satisfied on the basis of my examination of the Parish Council's accounts that the records are maintained satisfactorily in line with the Audit Commission's current recommendations and are free from material error.

The council's policies and procedures need to be up-dated in order to comply with the current legal requirements and should then become well embedded in practice.

Apart from the items listed above there are no other matters of significant concern that need to be drawn to the Council's attention at this point in time.

F M A Farman

Mary Farman

