

Annual Internal Audit Report 2019/20

CINDERFORD TOWN 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 2020.

The internal audit for 2019/20 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. If the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (if the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

26.6.2020

Name of person who carried out the internal audit

IAN A SELKIRK FCA

Signature of person who carried out the internal audit



Date 26.6.2020

*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).

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

CINDERFORD TOWN 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 2020, 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.	✓		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 authority to conduct its business or manage 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 authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		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.	✓		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 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	N/A
			✓

*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 must be published with the Annual Governance Statement.

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

14/01/2020

and recorded as minute reference:

MIN. 192

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

Chairman



Clerk

L. L. Thomas

Other information required by the Transparency Codes (not part of Annual Governance Statement)
Authority web address

www.cinderfordtowncouncil.gov.uk

Section 2 – Accounting Statements 2019/20 for

CINDERFORD TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	366,425	448,287	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	260,920	290,920	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	113,558	252,245	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	136,059	151,539	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	32,486	31,515	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	123,771	224,084	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	448,287	584,249	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	430,358	555,564	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	6,764,565	7,158,120	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	173,374	145,170	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 2020 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

h.h. Thomas

Date

09/07/2020

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

14/07/2020

as recorded in minute reference:

MIN. 193

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

[Signature]

Section 3 – External Auditor Report and Certificate 2018/19

In respect of

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

External Auditor Signature

Date

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

ANDERFORD

County area (local councils and parish meetings only):

GLOS.

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (S) prepared on an income and expenditure basis and there have been adjustments for debtors/prep: advance at the year end. Please provide details of the year end adjustments, showing how the net to the difference between Boxes 7 and 8.

Box 7: Balances carried forward

£
584,249

Deduct: Debtors (enter these as negative numbers)

1
2
3

18,682 - 43
11,872 - 14

Deduct: Payments made in advance
(prepayments) (enter these as negative numbers)

1
2

Total deductions

Add:

Creditors (must not include community infrastructure levy (CIL) receipts)

1
2

1,869

Add:

Receipts in advance (must not include deferred grants/loans received)

1
2

Total additions

Box 8: Total cash and short term investments

555,564

Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It is the column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are on a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative figures.

Name of smaller authority:

CINDERFORD TOWN COUNCIL

County area (local councils and parish meetings only):

GLoucestershire

Financial year ending 31 March 20~~xx~~ 20

Prepared by (Name and Role):

MRS L. THOMAS RFO

Date:

xx/xx/xxx

	£	£
Balance per bank statements as at 31/3/20 ²⁰		
account 1		100.
account 2	563985-12	
account 3		
account 4		
[add more accounts if necessary] account 5		
account 6		
account 7		
account 8		
Petty cash float (if applicable)		- 50.
Less: any unpresented cheques as at 31/3/20 ²⁰ (enter these as negative numbers)		
item 1	- 31-20	
item 2	- 2112-60	
item 3	- 4155-10	
item 4	- 1868-64	
[add more lines if necessary] item 5	- 360-00	
item 6	- 43-65	
item 7		
item 8		
Add: any un-banked cash as at 31/3/xx	8570-99	-
	555414-13	-
Net balances as at 31/3/20 ²⁰ (Box 8)	555,564-13	1

CROSSFORD TOWN COUNCIL
GLOS.

	20xx/xx £	20xx/xx £	Variance £	Variance %	Explanation Required?	Explanation from smaller authority must include narrative and:
1 Balances Brought Forward	46115	448287				
2 Precept or Rates and Levies	10915	10915	0	0.00%	NO	
3 Total Other Receipts	558	5215	0	0.00%	NO	SEE ATTACHED
4 Self Costs	355	355	0	0.00%	NO	
5 Loan Interest/Capital Repayment	1078	9575	0	0.00%	NO	
6 All Other Payments	3271	1200	0	0.00%	NO	SEE ATTACHED
7 Balances Carried Forward	148287	582199				
8 Total Cash and Short Term Investments	1058	5584				
9 Total Fixed Assets plus Other Long Term Investments and	125	125	0	0.00%	NO	
10 Total Borrowings	378	518	0	0.00%	NO	

Rounding errors of up to £2 are tolerable
Variances of £200 or less are tolerable

CINDERFORD TOWN COUNCIL, GLOUCESTERSHIRE.

Explanation for difference in total income/receipts.

£100,000.00 – Section 106 monies received from FODDC towards new recreation area.

£60,000. – Future High Street funding from Government via FODDC to prepare Bid for submission.

Explanation for difference in total expenditure.

£8,723. – Upgrade of CCTV system.

£17,595 – Additional projects supported through Section 137 donations.

£12,770 – Upgrade of heating system in Rheola House, Belle Vue Centre.

£20,119 – Costs paid in connection with Future High Street Bid.

£17,000. – Spent on work at Bank project.

£31,314 – Recreation Area.

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

Name of smaller authority: CINDERFORD TOWN COUNCIL

County Area (local councils and parish meetings only): GLOUCESTERSHIRE

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 MONDAY 27th JULY 2020

and ending on MONDAY 1st SEPTEMBER 2020

(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 commence on or before 1 September 2020.)

We have suggested the following dates: Monday 15 June – Friday 24 July 2020. The latest possible dates that comply with the statutory requirements are Tuesday 1 September – Monday 12 October 2020.)

Signed: H.H. Thomas

Role: TOWN CLERK / R.F.O.

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.

Contact details

Name of smaller authority: CINDERFORD TOWN COUNCIL

County Area (local councils and parish meetings only): GLOS.

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

	Clerk/RFO (Main contact)	Chair
Name	MRS H. THOMAS	C. WITHAM
Address	CTC, St. Annal's House, Belle Vue Centre, Cinderford Glos. GL14 2AB.	6, Greenhill Close, Cinderford Glos. GL14 2PU
Daytime telephone number	01594 822599	07843084080
Mobile telephone number		
Email address	clerk@cinderfordtowncouncil.gov.uk	

chris.witham@cinderfordtowncouncil.gov.uk

**CINDERFORD TOWN COUNCIL
REPORT OF THE INDEPENDENT INTERNAL AUDITOR
FOR THE YEAR ENDED 31 MARCH 2020**

I have examined the books and records of the Council as at 31 March 2020
While i have not performed an audit I can confirm that the attached statements are
in accordance therewith and comply with all the requirements stipulated by the
Accounts and Audit Regulations 2011 and CIPFA guidelines


Iain Selkirk FCA
Appointed Independent Internal Auditor

Malvern
June

Worcester
2020

CINDERFORD TOWN COUNCIL
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2020



INCOME	£	2019
Precept	290,920	260,920
Interest General	264	234
Misc	3,676	4,915
Belle Vue Centre	74,416	78,218
Triangle	13,077	10,804
W/Back Unidentified Historical Balances		19,387
Sec. 106 Funds	100,000	
High Street Funding	60,000	
Cindy Fest	812	
	<u>543,165</u>	<u>374,478</u>

EXPENDITURE

Payroll	151,539	136,059
General Admin	13,787	14,314
CCTV	8,723	
HSBC Expenditure	17,295	11,096
High Street Funding	20,119	
Recreation Areas	31,314	4,426
Triangle	9,815	8,982
Xmas Expenses	12,548	9,519
Forest Fitness		4,509
PWLB Loan Repayments	31,575	32,788
In Bloom	5,220	4,460
Election Costs	3,464	4,366
Maintenance	1,842	5,689
Unidentified Difference		572
Section 137	28,372	8,017
Other	3,468	5,041
Belle Vue Centre	68,119	42,781
	<u>407,200</u>	<u>292,619</u>

Surplus for the Year	135,965	81,859
General Fund b/fwd	388,284	366,425
General Fund c/fwd	<u>524,249</u>	<u>448,284</u>

The attached notes form part of these accounts

Chairman.......... RFO..........

CINDERFORD TOWN COUNCIL

BALANCE SHEET AS AT 31 MARCH 2020

	£	2019
CURRENT ASSETS		
Bank Account	555,514	430,308
Cash in Hand	50	50
Sundry Debtors	18,682	19,279
VAT Debtor	11,872	
	<u>£ 586,118</u>	<u>£ 449,637</u>
CURRENT LIABILITIES		
VAT		1,353
Creditors and Accruals	1,869	
	<u>1,869</u>	<u>1,353</u>
NET ASSETS	<u>£ 584,249</u>	<u>£ 448,284</u>

Represented by:-

General Fund Balance	524,249	388,284
Earmarked Funds	60,000	60,000
	<u>£ 584,249</u>	<u>£ 448,284</u>

Chairman 

RFO *V. L. Thomas*

Date *09/07/2020*

**AUDITORS REPORT TO THE MEMBERS OF:-
CINDERFORD TOWN COUNCIL**

	Y/N	COMMENTS	
	N/A		
1 a	Y	Is the cashbook maintained and up to date	
b	Y	Is the cashbook arithmetic correct	
c	Y	Is the cashbook regularly balanced and reconciled to the bank	
2 a	Y	Have Standing Orders and Financial Regulations been formally adopted	
b	Y	Are Standing Orders and Financial Regulations regularly reviewed	
c	Y	Has an RFO been appointed with specific duties	
d	Y	Have items or services above a de minimis amount been competitively purchased	
e	Y	Has the Clerk authority to spend in emergencies	
		From what level are quotes required	To £2,500
		From what level are tenders required	Over £2,000
3 a	Y	Are payments in the cashbook supported by invoices, authorised and minuted	
b	Y	Has VAT on payments been identified, recorded and reclaimed	
c	Y	Is S137 expenditure separately recorded and within statutory limits	
d	Y	Is S137 expenditure separately minuted as such	
e	Y	Is the signing authority two or more councillors	
f	Y	Is the Clerk a signatory	
g	Y	Are the counterfoils initialled by the signatories	
h	Y	Are invoices vouched to payments	
4 a	Y	Is there a procedure in place for the regular audit of internal controls	
b	Y	Has a member of the Committee been appointed internal auditor	
c	Y	Does he have a specific programme and does he report to meetings	
5 a	N	Does scanning of the minutes identify any unusual activity	
b	Y	Is the annual risk assessment minuted	
c	Y	Is insurance cover appropriate and adequate	
d	Y	Are internal financial controls documented and regularly reviewed.	
6 a	Y	Has the Council prepared an annual budget in support of its precept	
b	Y	Is actual expenditure against budget regularly reported to the Council	
c	N	Are there any significant unexplained variances from budget	Chairman Monthly

7 a	Y	Is income properly recorded and banked as promptly as possible	
b	Y	Does the precept recorded in the cash book agree to the District Councils notification	
c	Y	Where income is raised by rental or lettings has the VAT position been clarified	substantial rental income with output tax
d	Y	Are security controls over cash adequate and effective	
8 a	Y	Is petty cash spent recorded and supported by VAT invoices/receipts	
b	Y	Is petty cash expenditure reported to each Council meeting	
c	Y	Is petty cash expenditure reimbursed regularly	
d	N/A	Or does the Clerk present petty cash with her expenses supported by VAT invoices/receipts	
9 a	Y	Do salaries paid agree to with those approved by the Council	
b	Y	Has PAYE/NIC been properly operated by the Council as employer	
c	Y	Are other payments to the Clerk and staff reasonable and approved by the Council	
d	N/A	Where PAYE/NIC is not operated due to the low salary level has HMRC been informed	
10 a	Y	Does the Council maintain an Asset Register of all material assets owned	
b	Y	Is the Register up to date	
c	Y	Do the values agree to insurance valuations	
d	N/A	Are movements in Treasury Deposits accurately recorded	
11 a	Y	Is each bank account reconciled on a regular basis	
b	N	Are there any unexplained balancing entries in any reconciliation	
12 a	Y	Are accounts prepared on the correct accounting basis	
b	Y	Do the accounts reflect the cashbook entries	
c	Y	Is there an audit trail from the underlying financial records to the accounts	
d	Y	Where appropriate have debtors and creditors been properly recorded	
13 a	Y	Are minutes signed, initialled and pages sequentially numbered	
14 a	N/A	Do Burial receipts agree to the attendant Burial records	
b	N/A	Are rights or permissions properly recorded	
15 a	N/A	Any evidence of fraudulent activity should be brought to the attention of the Chairman	

