

Accounting statements 2016-17 for:

Name of body: NEWCASTLE HIGHER COMMUNITY COUNCIL

	Year ending		Notes and guidance for compilers
	31 March 2016 (£)	31 March 2017 (£)	

Please round all figures to nearest £.
Do not leave any boxes blank and report £0 or nil balances.
All figures must agree to the underlying financial records for the relevant year.

Statement of income and expenditure/receipts and payments

1. Balances brought forward	46 997	40 809	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	41 000	41 000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	1 122	5 346	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	6 165	6 458	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 related expenses eg termination costs.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	42 145	32 747	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	40 809	47 950	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).

Statement of balances

8. (+) Debtors and stock balances	0	0	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	40 809	47 950	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	0	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	40 809	47 950	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	4 000	4 000	The original asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

14. Trust funds disclosure note	Yes	No	N/A	Yes	No	N/A	The body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).
			✓			✓	

Annual Governance Statement (Part 1)

We acknowledge as the members of the Council/Board/Committee, 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 the Council/Board/Committee:	PG Ref
	Yes	No*		
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	✓		Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	✓		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
<p>3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Council/Board/Committee to conduct its business or on its finances.</p>	✓		Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
<p>4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.</p>	✓		Has given all persons interested the opportunity to inspect and to ask questions about the body's accounts.	6, 23
<p>5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	✓		Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
<p>6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.</p>	✓		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
<p>7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Council/Board/Committee and, where appropriate, have included them on the accounting statements.</p>	✓		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	✓		Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23
<p>9. Trust funds – in our capacity as trustee, we have:</p> <ul style="list-style-type: none"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 	✓		Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Annual Governance Statement (Part 2)

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We have registered as an employer with HM Revenue and Customs and properly operate Pay As You Earn as part of our payroll arrangements; or <input checked="" type="checkbox"/> We do not need to register for PAYE because none of our employees are paid £112 or more a week, get expenses and benefits, have another job or get a pension.	✓		Has registered as an employer and properly operates PAYE unless all of the exemption criteria are met.	13
2. We have maintained proper payroll records for each of our employees including deductions of tax and national insurance.	✓		Has kept records of payments made to employees including taxable expenses or benefits and of payments made to HMRC.	13
3. We have adopted a Code of Conduct setting out proper standards of behaviour expected of councillors and individually, have agreed to abide by the code.	✓		The body and its members have adopted and agreed to abide by a Code of Conduct as required by law.	8

* Please delete as appropriate.

Council/Board/Committee approval and certification

The Council/Board/Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

<p>Certification by the RFO</p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments/as the case may be, for the year ended 31 March 2017.</p>	<p>Approval by the Council/Board/Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:</p>
<p>RFO signature: <i>John Richfield</i></p>	<p>12 (b) 2017 13 June 2017</p>
<p>Name: JOHN RICHFIELD.</p>	<p>Chair signature: <i>Ann John</i></p>
<p>Date: 13/06/2017</p>	<p>Name: ANN JOHN</p>
	<p>Date: 13/06/2017</p>

Council/Board/Committee re-approval and re-certification (only required if the annual return has been amended at audit)

<p>Certification by the RFO</p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2017.</p>	<p>Approval by the Council/Board/Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:</p>
<p>RFO signature:</p>	<p>Chair signature:</p>
<p>Name:</p>	<p>Name:</p>
<p>Date:</p>	<p>Date:</p>

Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2017 of:

NEWCASTLE HATTER Community Council

External auditor's report

Except for the matters reported below

~~[Except for the matters reported below]~~* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The council have a website but it does not comply with the requirements of the Local Government (Democracy) (Wales) Act 2013, section 55.

BDO LLP Southampton
United Kingdom

~~[[These matters along with]* Other matters not affecting our opinion which we draw to the attention of the body and our recommendations for improvement are included in our report to the body dated 26/8/17.]~~

Other matters and recommendations

On the basis of our review, we draw the body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the body.

(Continue on a separate sheet if required.)

External auditor's name:	BDO LLP Southampton United Kingdom	
External auditor's signature:		Date: 26/8/17
For and on behalf of the Auditor General for Wales		

* Delete as appropriate.

Annual internal audit report to:

Name of body: NEWCASTLE HIGHER COMMUNITY COUNCIL

The Council/Board/Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2017.

The internal audit has been carried out in accordance with the Council/Board/Committee'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 the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council/Board/Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	✓				<i>Internal auditors report was presented</i>
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓				
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	✓				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	✓				
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	✓				
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	✓				
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.			✓		

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12.					
13.					
14.					


* 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).

** 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.

[My detailed findings and recommendations which I draw to the attention of the Council/Board/Committee are included in my detailed report to the Council/Board/Committee dated MAY 2017.] * Delete if no report prepared.

Internal audit confirmation

I confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the body or as a member of the body during the financial years 2015-16 and 2016-17. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:	DAUNE HOROCHE
Signature of person who carried out the internal audit:	
Date:	31/05/17

Bank Reconciliation
Newcastle Higher Community Council

Financial year ending 31 March 2017

Balance per Bank Statements as at 31 March 2017

	£
Business Select a/c	18,308.63
Community Direct Plus a/c	<u>39,391.21</u>
	57,699.84

Less un-presented cheques

Cheque numbers	£
1515	100.00
1523	5,400.00
1528	300.00
1529	500.00
1530	750.00
1531	500.00
1532	100.00
1533	200.00
1534	200.00
1535	500.00
1546	500.00
1537	500.00
1538	100.00
1539	<u>100.00</u>
	<u>9,750.00</u>
	<u>47,949.84</u>

Nett balances as at 31/3/2017	29,676.21
	<u>18,303.63</u>
	47,949.84

Cash Book

	£
Opening Balance 1 April 2016	40,809.56
Add Receipts	46,345.84
Less Payments	39,205.56
Closing Balance 31 March 2017	47,949.84

Prepared by John Richfield, Clerk to the Council, 13 June 2017

Newcastle Higher Community Council
INTERNAL AUDIT REPORT 2016-2017

The Newcastle Higher Community Council's Internal Auditor, acting independently and on the basis of an assessment of risk, has carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2017.

This internal audit had been carried out in accordance with the Community Council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in the table provided. Set out below are the objectives of internal control and the internal audit conclusions on whether in all significant respects the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Community Council.

1. Appropriate books of account have been properly kept throughout the year.

Answer: Yes.

Basis: I have seen and checked the fully completed receipts and payments book, which is reconciled and balanced.

2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.

Answer: Yes.

Basis: The Clerk has provided me with a file identifying all income and payments made throughout the financial year, which tells the story of all invoices, letters, or emails relating to an individual receipt or payment. The sheets for each payment also refer to the VAT content of the payments if applicable.

Every payment made by the Community Council is recorded in the Minutes, referenced by cheque number and date.

From these records, the VAT claim for the Community Council is made.

3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Answer: Yes

Basis: The Clerk has produced a general risk assessment for all risks thought likely, together with one for financial risks, which have been approved by the Council. The risk assessment is reviewed annually and amended if necessary.

- 4. The annual precept demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate.**

Answer: Yes

Basis: The Clerk produces a detailed statement to the Council, setting out progress against the current year's budget, detailing the projected income and expenditure, and informing the Council to make a rational decision on how much to precept for. This system has bedded in for a few years and operates well. There are reserves earmarked for various uses, which seems to be prudent and reasonable. On a quarterly basis, the Clerk provides a full analysis of all expenditure and receipts to keep the Council updated on detailed progress against budgets. This is minuted.

- 5. Expected income was fully received based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.**

Answer: Yes

Basis: The income is fairly straightforward, consisting mainly of the precept, the allotments rents from Pandy Allotments, and reimbursement from the Principal Authority for undertaking works of footpath clearing. The Clerk stated that last year the HMRC had taken rather longer than usual to reimburse the VAT claim; as a result, it was paid in April 2016 and therefore there are two figures for VAT claims in the 2016-17 income.

- 6. Petty Cash Payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.**

Answer: Yes

Basis: No petty cash is used by the Community Council. The Clerk does not keep petty cash, but claims for expenses such as office costs by providing itemised and receipted claims quarterly which are paid by resolution of the Council, minuted, by cheque signed by two signatories.

- 7. Salaries to employees and allowances to members were paid in accordance with minuted approvals and PAYE and NI requirements were properly applied.**

Answer: Yes

Basis: I have viewed the file showing that the Council is PAYE Registered, and checked emails, and documents showing that all tax has been paid at the correct rate. Certified copies showing details of all such payments are provided to the External Auditor as additional matters in the current audit year.

8. Asset and investment registers were complete, accurate and properly maintained.

Answer: Yes

Basis: There is an asset register which has been updated this year. There have been no changes since the asset register was amended in 2015 because a bus shelter belonging to the Community Council was demolished by the BCBC to enable a development, and they had provided the replacement at their expense.

9. Periodic and year-end bank account reconciliations were carried out.

Answer: Yes

Basis: I have examined records that show this has been done.

10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.

Answer: Yes

Basis: The accounting statements have been prepared on a receipts and payments basis, in accordance with the Practitioners' Guide. They agree with the cashbook, and are supported by a full audit trail of underlying records, letters, emails and similar documents.

The Clerk, due to changes to banking processes, is no longer able to use a paying-in book when depositing payments made to the Council. Last year, to facilitate identification of payments, I recommended that the Clerk adopt a process of recording payments to the Council similar to the way he recorded cheque payments and to consider minuting when deposits had been made, if this was practical. This has been done, as receipts are detailed to the Council with the quarterly financial statements which are minuted.

11. Trust Funds (including charitable trusts). The Council has met its responsibilities as a trustee.

Answer: This is not applicable

Any other matters for mention

Minutes

The minutes are clear, well presented and easily understood; however, a recommendation for improvement would be to add a header or footer which recorded the date of the meeting. This would ensure that should the pages become loose from the file, they can be easily identified and restored.

Website

The Clerk informed me that the website provision currently available on the Communities of Bridgend Websites On-line Directory (Cobwebs) was to be withdrawn. I recommend that the Council look into provision of a new website to meet the Local Government (Democracy) Wales) Act 2013 which came in to effect in 2015.

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Anne Hordley
Internal Auditor
May 2017