

Accounting statements 2017-18 for:

Name of body: **NEWCASTLE HIGHER COMMUNITY COUNCIL**

	Year ending		Notes and guidance for completion
	31 March 2017 (£)	31 March 2018 (£)	
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	40807	47950	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	41000	41000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	5346	2940	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	6458	6609	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	32747	30035	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	47950	55246	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	47950	55246	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	47950	55246	Total balances should equal line 7 above: Enter the total of (8+9-10).				
12. Total fixed assets and long-term assets	6000	6000	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 2018, that:

	Agreed?		‘YES’ means that the Council/Board/Committee:	PG Ref	
	Yes	No*			
1. We have put in place arrangements for: <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	
2. We have 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.	6, 7	
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.	✓		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	
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.	✓		Has given all persons interested the opportunity to inspect and to ask questions about the body’s accounts.	6, 23	
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.	✓		Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9	
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.	✓		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	
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.	✓		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6	
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	✓		Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23	
9. Trust funds – in our capacity as trustee, we have: <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. 	Yes	No	N/A	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 Body
	Yes	No	
1. We have considered the adequacy of reserves held by the body in setting the budget for 2017-18 and 2018-19 and have appropriate plans in place for the use of these reserves.	✓		Has met the requirements of the Local Government Finance Act 1999 in setting the budget requirement and precept for the financial years.
2. When awarding grants under section 137 of the Local Government Act 1972, we have kept a separate account of such grants and considered whether or not the benefits arising from such payments are commensurate with the sums paid.	✓		Has kept an appropriate record of grants awarded and ensured that the expenditure is commensurate with the benefit to the community.
3. The council has ensured that it has a legal obligation to pay a service gratuity to employees ^{or} The council has no obligation or intention to pay a gratuity to employees.*	✓	2 of Mull del	Has ensured that where it has an arrangement to provide a gratuity to staff, it has ensured that there is a legal obligation to provide the gratuity.

* 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.

Certification by the RFO

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 2018.

RFO signature: *John Rickfield*

Name: JOHN RICKFIELD

Date: 12/4/2018

Approval by the Council/Board/Committee

I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:

Insert minute reference: 12 JUNE 2018

Chair signature: *C. Haines*

Name: name required
CARY HAINES

Date: 12/4/2018

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

Certification by the RFO

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 2018.

RFO signature: signature required

Name: name required

Date: dd/mm/yyyy

Approval by the Council/Board/Committee

I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:

Insert minute reference and date of meeting

Chair signature: signature required

Name: name required

Date: dd/mm/yyyy

Annual internal audit report to:

Name of body: **NEULSTED HIGH SCHOOL 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 2018.

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 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 2018] * 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 2016-17 and 2017-18. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: *name required* Anne Horsfield
 Signature of person who carried out the internal audit: *signature required* 
 Date: 6.6.2018

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 2018.

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: I have reviewed the record of income and payments for the financial year as provided by the Clerk. Where applicable, the VAT component is fully recorded and is used for VAT claims made by the Community Council. The Clerk makes record of all payments due by the Community Council with the corresponding cheque number in the minutes. The cheque numbers, amounts and dates are recorded in the cashbook and on the Schedule of Payment provided by the Clerk.

- 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 which reviews them annually and makes amendments 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 Community Council is provided with a detailed statement by the Clerk, setting out progress against the current year's budget, detailing the projected income and expenditure, and informing the Community Council to make a rational decision on how much to precept for. As with previous years, the reserves seem prudent and reasonable. On a quarterly basis, the Clerk provides a full analysis of all expenditure and receipts to keep the Community 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: Income is made up of the precept, the allotments rents from Pandy Allotments, and reimbursement from the Principal Authority for undertaking works of footpath clearing. The Clerk's records show these are all fully accounted for as required.

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.

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

Answer: Yes

Basis: There is an asset register which is up to date.

- 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.

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

Answer: This is not applicable

- 12. Has the Council considered the adequacy of reserves held in setting its budgets for 2017/18 and 2018/19 and are there plans for the use of the reserves?**

Answer: Yes

Basis: The minutes shows that the reserves have been considered prior to setting the budget, which is presented to the Council and regularly reviewed.

- 13. Is there a separate account for the payment of Section 138 payments (grants) and were the merits of such grants considered at a meeting noting the benefit to the community arising from them?**

Answer: Yes

Basis: The Section 138 payments are minuted as discussed and payment approved. The payments are also clearly identified in the financial records (cashbook).

Matters arising from the External Audit 2016-17

- a. *Budget monitoring not previously minuted:* Response from NHCC: while all sums have always been minuted and brought into account, a detailed paper has been provided to the Council on a quarterly basis, specifically setting out all income and expenditure linked with the budget and this document and the Council's noting of it has been minuted. The NCC believes this discharges the matter.
- b. *Lock of engagement letter with Internal Auditor:* I confirm that a letter has been prepared making agreement between the Internal Auditor and the Council. The letter covers, among others, the following points:
- The role of the Internal Auditor and what is expected to be covered, the scope of the internal audit and the time scale when it has to be completed; and
 - A requirement to produce an independent internal auditor's Report.

Any other matters for mention

Minutes

The minutes are clear, well presented and easily understood; however, while the pages are numbered, the Internal Auditor makes a recommendation to add a header or footer which records 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

In 2017, the Clerk informed me that the website provision then available on the Communities of Bridgend Websites On-line Directory (Cobwebs) was to be withdrawn. The Clerk has informed me that a website which fulfils the Local Government (Democracy) Wales) Act 2013, which came in to effect in 2015, has been set up. I have viewed this website and agree that it fulfils those requirements as I understand them.

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Anne Hordley
Internal Auditor
May 2018