

Annual Internal Audit Report 2017/18

Woughton Community 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 2018.

The internal audit for 2017/18 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.	✓		
<b>K. (For local councils only)</b>			
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  
23/01/18 18/05/18

Name of person who carried out the internal audit  
A Shepherd-Roberts  
For Auditing Solutions Ltd

Signature of person who carried out the internal audit



Date  
18/05/18

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

## Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

### Woughton Community 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 2018, 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.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.		✓	<i>considered and documented the financial and other risks it faces and dealt with them properly. UNDER REVIEW FOR FY18/19</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

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

Chairman

dated

Clerk

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

## Section 2 – Accounting Statements 2017/18 for

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	407,678	334,817	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	377,980	441,756	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	624,254	398,571	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	611,450	523,815	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	8026	21,437	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	473,619	236,903	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	334,817	392,989	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	174,883	337,429	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	150,709	221,579	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	142,596	224,061	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 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer



Date

18/05/18

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

and recorded as minute reference:

Signed by Chairman of the meeting where approval of the Accounting Statements is given

## Section 3 – External Auditor Report and Certificate 2017/18

In respect of

Woughton Community Council

### 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 2018; 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 2017/18

(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 2017/18

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 2018.

\*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

\*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

## Reconciliation between Box 7 and Box 8 in Section 2 – pro forma

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

Name of smaller authority: WUGHTON COMMUNITY COUNCIL

County area (local councils and parish meetings only): \_\_\_\_\_

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
<b>Box 7: Balances carried forward</b>		<b>392,989</b>
Deduct:		
Debtors		
•		
•		
•		
	64,430	
Deduct:		
Payments made in advance (prepayments)		
•		
•		
<b>Total deductions</b>		<b>328,559</b>
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
•		
•		
	8870	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
•		
•		
<b>Total additions</b>		<b>8870</b>
<b>Box 8: Total cash and short term investments</b>		<b>337,429</b>

## Explanation of variances – pro forma

Name of smaller authority: **WOUGHTON COMMUNITY COUNCIL**

County area (local councils and parish meetings only):

Please provide **full explanations, including numerical values**, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2016/17 £	2017/18 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
<b>Box 2</b> <i>Precept or Rates and Levies</i>	377,980	441,756	63,776	14%	N/A under 15% Variance
<b>Box 3</b> <i>Total other receipts</i>	624,254	398,571	225,683	56%	Variance due to the drawing down of the PWLB loan, meaning receipts significantly higher last year. Reflected in the increased ayment in Box 6.
<b>Box 4</b> <i>Staff costs</i>	611,450	523,815	87,635	16%	Alterations to staff structure. Staff turnover / vacancies, positions have been filled i.e. Council Manager and RFO whereby the salary has lessend compared to predecessors.
<b>Box 5</b> <i>Loan interest/ capital repayments</i>	8026	21,437	13,411	62%	One loan repayment was made during FY 17/18, due to months the repayment fell (March & Sept). Another loan was taken out through PWLB, and we are on a 6 monthly repayment programme for this too, therefore x 2 payments of £8028.47 and x1 of £5383.84 for FY 17/18.
<b>Box 6</b> <i>All other payments</i>	473,619	236,903	236,716	99%	Significant spending during the year for refurbishment of offices, utilising the PWLB monies (noted in Box 3 above).
<b>Box 9</b> <i>Total fixed assets &amp; long term investments &amp; assets</i>	150,709	221,579	70,870	31%	Fixed assets have increased following the moveof offices and a review of all assets owned. In addition, investment in assets, rather than rental, has increased this figure.
<b>Box 10</b> <i>Total borrowings</i>	142,596	224,061	81,465	36%	£100,00 loan through PWLB on 22 <sup>nd</sup> May 2017. repayable by half yearly anuity. Installments of £5383.84. Plus our Loan carried forward from Sept 2016, of £150,000, repayable by half yearly anuity.
<b>Explanation for 'high' reserves</b>	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:				

# Woughton Community Council

## Annual Return information

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1 Balances brought forward	141,945	156,527	147,741	166,272	88,025	171,494	326,352	285,057	407,678	334,817	392,989
2 (+) Annual Precept	458,200	485,200	493,702	495,435	478,028	324,602	338,307	342,305	377,980	441,756	
3 (+) Total aother receipts	70,055	78,959	76,444	56,340	74,046	290,676	272,351	436,878	642,254	398,571	
4 (-) Staff costs	-314,500	-364,590	-348,215	-380,387	-273,089	-262,110	-288,277	-367,321	-611,450	-523,815	
5 (-) Loan interest/ capital repayments	0	0	0	0	0	0	0	0	-8,026	-21,437	
6 (-) Total other payments	-199,173	-208,355	-203,400	-249,635	-195,516	-198,310	-363,676	289,242	-473,619	-236,903	
7 (=) Balances carried forward	156,527	147,741	166,272	88,025	171,494	326,352	285,057	407,678	334,817	392,989	392,989
8 Total cash & Investments	94,760	129,363	177,426	114,746	202,299	348,266	230,374	386,325	174,883	337,429	
9 Total Fixed Assets	34,363	69,741	70,532	66,280	65,175	66,280	145,628	150,517	150,709	221,579	
10 Total Borrowings	0	0	0	0	0	0	0	0	142,596	224,061	

## Reconciliation of Boxes 7 & 8

<b>Box 7: Balances c/f</b>	<b>147,741</b>	<b>166,272</b>	<b>88,025</b>	<b>171,494</b>	<b>171,494</b>	<b>326,352</b>	<b>285,057</b>	<b>407,678</b>	<b>334,817</b>	<b>392,989</b>	<b>392,989</b>
Plus: Year-end Creditors	1,863	40,546	57,607	54,482	54,482	47,195	3,743	22,256	5,403	8,870	
Less: Year-end Debtors	-20,241	-29,392	-30,886	-23,677	-23,677	-25,281	-58,426	-43,608	-165,337	-64,430	
<b>Box 8: Total cash</b>	<b>129,363</b>	<b>177,426</b>	<b>114,746</b>	<b>202,299</b>	<b>202,299</b>	<b>348,266</b>	<b>230,374</b>	<b>386,326</b>	<b>174,883</b>	<b>337,429</b>	<b>392,989</b>

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

Name of smaller authority: **Woughton Community Council**

County Area (local councils and parish meetings only): \_\_\_\_\_

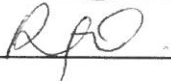
**On behalf of the smaller authority, I confirm that the dates set for the period for the  
exercise of public rights are as follows:**

Commencing on **Tuesday 12<sup>th</sup> June 2018**

and ending on **Monday 23<sup>rd</sup> July 2018**

**(Please enter the dates set by the smaller authority as appropriate which must be 30 working days inclusive  
and must include the first 10 working days of July 2018.  
We have suggested the following dates: Monday 4 June – Friday 13 July 2018.  
The latest possible dates that comply with the statutory requirements are Monday 2 July – Friday 10 August  
2018.)**

Signed: 

Role: 

**PLEASE SUBMIT THIS FORM TO PKF LITTLEJOHN LLP WITH  
THE AGAR AND OTHER REQUESTED DOCUMENTATION**



## WOUGHTON COMMUNITY COUNCIL

### **PURPOSE OF REPORT:**

To update the Council on steps taken with regard to GDPR and implementation of necessary steps to compliance.

### **RECOMMENDATION:**

- 1. That the Council notes the report.**
- 2. That Members and Officers action the recommendations.**
- 3. That further updates are provided to P+R or Full Council during the 18/19 Council Year, ensuring regular updates.**

### **MAIN ISSUES AND CONSIDERATIONS:**

The General Data Protection Regulations (GDPR) came into force on 25<sup>th</sup> May, bringing with them additional demand on organisations to manage personal data in line with these new regulations. Following previous papers outlining work needed (Feb 18) and the potential financial implications (April 18), this paper outlines steps taken to this point, alongside detailing additional work planned / needed.

Woughton Community Council has, to this point;

- Undertaken a full data audit, detailing data held, where that data has come from, how it is stored and whether it needed to be retained.
- Undertaken a 'cleanse' of data held, with further disposal planned over the coming months
- Updated the relevant website pages (i.e. Rent a Hall) to reflect the updated policies
- Liaised with web provider, IT support agencies and further IT companies to identify and cost any additional steps needed to provide full and comprehensive data management systems
- Developed policy documents covering; privacy notice, policy statement, personal data register and a retention and disposal policy.

Next steps that will be undertaken over the next two weeks include:

- Putting a privacy statement on the website
- Updating email sign-offs to include a link to the privacy policy
- RFO to take the decision with regard to the best IT supplier option and then implement the changes necessary with regard to online activity, storage and similar.

There have been some delays; getting information from members with regard to the existing IT provision (e.g. what there is currently provided by WCC to members), deciding on the most appropriate IT supplier (awaiting a further quote

so that we are compliant with our financial policies) and having clarity with regard to the final design of the GDPR requirements (e.g. Data Protection Officer – it is now clarified that we don't need to appoint one, as Parish Councils have been given dispensation).

In short, we have taken the necessary immediate steps, are able to comply with the regulations as they stand and will continue to 'fine tune' our processes and infrastructure, ensuring best value and quality and aiming to 'future proof' IT infrastructure for the future, alongside GDPR compliance. This will include additional benefits, such as printing costs being reduced (currently £6K per annum), consistent software and operating systems across the council (enabling a more integrated system, which allows different users to communicate more effectively via the IT provision) and

**FINANCIAL IMPLICATIONS:**

As discussed in the previously submitted paper, we have allocated up to £10,000 to make ourselves GDPR compliant. This money will address the other issues that are mentioned above (i.e. software updates, operating systems, etc..) and provide suitable IT hardware to meet the current and future needs of the organisation.

**STAFFING IMPLICATIONS:**

None at this time.

**OTHER IMPLICATIONS:**

None at this time.

**BACKGROUND PAPERS:**

PR 38/18 (5<sup>th</sup> February 2018)  
PR 49/18 (9<sup>th</sup> April 2018)

**AUTHOR**

Steve McNay – Council Manager

**Agenda Item: FC 13/18**

**WOUGHTON COMMUNITY COUNCIL**

**Full Council**

**PURPOSE OF REPORT:**

To appoint members on to the Income Generation Group.

**MAIN ISSUES AND CONSIDERATIONS:**

The Policy & Resources Committee meeting on Monday 4<sup>th</sup> June 2018 did not manage to make any appointments, and therefore agreed to defer to this meeting of the Full Council to try and progress this matter.

The Income Generation Group, has not met recently, but needs to be revived due to the income generation targets in the Service Plan, and to progress some of the proposals that the group had recommended to the meeting of the Policy & Resources Committee held on Monday 2<sup>nd</sup> October 2017.

The income Generation Working Group consisted of Cllr Shammi Akter, Cllr Thillai Visvendran and Cllr Kevin Wilson.

**STAFFING IMPLICATIONS:**

Committee & Member Services Officer will need to provide administrative support.

**OTHER IMPLICATIONS:**

None perceived.

**BACKGROUND PAPERS:**

Report by the Leader of the Council Cllr Kevin Wilson to the Policy & Resources Committee Meeting held on Monday 2<sup>nd</sup> October 2017.

Report by Brian Barton Committee & Member Services Officer to the Policy & Resources Committee held on Monday 4<sup>th</sup> June 2018.

**RECOMMENDATION(S):**

- 1. To note the report.**
- 2. To appoint members on to the Income Generation Group.**

**AUTHOR**

Brian Barton

Committee & Member Services Officer.