

# Part 3PM Annual Internal Audit Report 2018/19

## WESTHOUGHTON TOWN COUNCIL

This Parish Meeting'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 2019.

The internal audit for 2018/19 has been carried out in accordance with this Parish Meeting'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 Parish Meeting.

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 Parish Meeting complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This Parish Meeting assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept 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.	✓		
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 Parish Meeting certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the Parish Meeting had a limited assurance review of its 2017/18 AGAR)	✓		
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓

For any other risk areas identified by this Parish Meeting adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

01/08/18 23/10/18 15/01/19

LUCY DALEY

Signature of person who carried out the internal audit



Date

23/04/19

\*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).

We acknowledge as the members of:

WESTHOUGHTON 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 2019, that:

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 Parish Meeting 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.</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 met the needs of this Parish Meeting.</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 Parish Meeting 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>

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the Parish Meeting will address the weaknesses identified. These sheets should be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a Parish Meeting on:

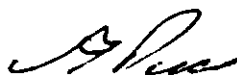
29/04/2019

and recorded as minute reference:

TC65/2019

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

Chairman



Part 3PM Section 2 – Accounting Statements 2018/19 for

WESTHOUGHTON TOWN COUNCIL

1. Balances brought forward	54864	62074	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	140157	141890	Total amount of precept received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	48	49	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received.
4. (-) Staff costs	30909	30071	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	00	00	Total expenditure or payments of capital and interest made during the year on the Parish Meeting's borrowings (if any).
6. (-) All other payments	102086	107736	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	62074	66206	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	56624	57113	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	117017	118785	The value of all the property the Parish Meeting owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	00	00	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB)

I certify that for the year ended 31 March 2019 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 Parish Meeting.

Signed by the Chairman before being presented to the Parish Meeting for approval



Date

29/04/2019

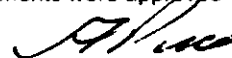
I confirm that these Accounting Statements were approved by this Parish Meeting on this date:

29/04/2019

as recorded in minute reference:

TC 66/2019

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



### Section 3 – External Auditor Report and Certificate 2018/19

In respect of

Westhoughton Town Council LA0226

#### 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 (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR 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.

- The smaller authority has failed to follow proper procedures as it has completed, authorised and submitted an AGAR Part 3PM intended for use by Parish Meetings only, rather than an AGAR Part 3.
- As a result of using the incorrect form, the AGAR has not been signed/approved in accordance with the Accounts and Audit Regulations 2015: Section 1 and 2 was not signed by the Clerk or Responsible Finance Officer.

Other matters not affecting our opinion which we draw to the attention of the authority:

- In completing an AGAR Part 3PM rather than an AGAR Part 3, the smaller authority has not disclosed the additional information required for AGAR Part 3 within the form. The smaller authority has confirmed that the responses to Assertion 9 on the Annual Governance Statement, Box 11 on the Accounting Statements and internal control objectives G&M should be as follows:

	2018/19
Assertion 9 Annual Governance Statement	n/a
Box 11 Accounting Statements	No
Internal control objective G	Yes
Internal control objective M	n/a

#### 3 External auditor certificate 2018/19

We 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.

External Auditor Name

PKF LITTLE JOHN LLP

External Auditor Signature

*[Signature]*

Date

21/09/2019

Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2018/19 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))