

NAME OF SMALLER AUTHORITY: CULMSTOCK PARISH COUNCIL

NOTICE OF CONCLUSION OF AUDIT
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

The Accounts and Audit Regulations 2015 (SI 2015 No.234)
The Local Audit and Accountability Act 2014

NOTICE	NOTES
<p>1. Date of announcement <u>28th SEPTEMBER 2017</u> (a)</p> <p>2. Notice of conclusion of audit and publication of accounts. The audit of the authority's accounts for the above year has been concluded on: <u>20/09/2017</u> (date) by grant Thornton UK LLP. The Annual governance statement, Accounting statements and the External auditor certificate and report (the Annual Return), have been published (b)(c). Copies of documents are available for purchase by any person on payment of a reasonable sum. Documents will remain available for public access for a period of not less than 5 years from the date of this notice (d).</p> <p>3. Section 25 of the Local Audit and Accountability Act 2014 provides for the exercise of public rights to inspect the statement of accounts:</p> <ul style="list-style-type: none"> Local Government Electors and their representatives have rights to make copies of: <ul style="list-style-type: none"> the accounting statements, the external auditor's opinion and certificate of completion (e), any public interest report relating to the authority, and any recommendation relating to the authority. <p>For the year ended 31 March 2017 these documents will be available on reasonable notice on application to the person in paragraph 4 below.</p> <p>4. Person to which you can apply to inspect the accounts and availability (f) MRS. Name: <u>M. STORE-QUINAIN</u> Position: <u>PARISH CLERK</u> Address: <u>12 MANOR CLOSE, KENTISBEARE</u> <u>DEVON</u> Tel no: <u>01884 266502</u> Email: <u>clerk@culmstock-pc.org.uk</u> Days and times of availability: <u>MONDAY TO FRIDAY 9.15am to 2.30pm</u> <u>* By prior arrangement only *</u></p> <p>5. Signature and name of person giving Notice on behalf of the authority <u>M. STORE-QUINAIN</u> Clerk and/or Responsible Financial Officer</p>	<p>(a) Insert date of placing of this Notice</p> <p>(b) Parish Councils should publish information on a website.</p> <p>(c) Parish meetings should display information in a conspicuous place in the area of the authority for at least 14 days.</p> <p>(d) See note 25.2 of the Local Audit and Accountability Act 2014 for further information.</p> <p>(e) Section 3 of Annual Return provides the external auditors certificate and report including any subsequent pages attached.</p> <p>(f) Insert name, position, address and contact details such as telephone and email of the Clerk or other person to which any person to which any person may apply to inspect the above documents, and the details of the manner in which notice should be given of an intention to inspect the accounting records and other documents.</p>

For more detailed guidance on electors' rights and the special powers of auditors, copies of the publication Council Accounts – A Guide to Your Rights are available from the National Audit Office website
<https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Council-accounts-a-guide-to-your-rights.pdf>

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

CULMSTOCK PARISH COUNCIL

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 this smaller 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.	YES		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.	YES		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 smaller authority to conduct its business or on its finances.	YES		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.	YES		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 smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES		considered the financial and other risks it faces and has 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.	YES		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.	YES		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 smaller authority and, where appropriate have included them in the accounting statements.	YES		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	NA
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
			✓

This annual governance statement is approved by this smaller authority on:

14/06/2017

Signed by Chair at meeting where approval is given:

and recorded as minute reference:

95.6

Clerk:

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Section 2 – Accounting statements 2016/17 for

Enter name of
smaller authority here:

CULMSTOCK PARISH COUNCIL

	Year ending		Notes and guidance				
	31 March 2016 £	31 March 2017 £					
1. Balances brought forward	12912	17422	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	14999	19302	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.				
3. (+) Total other receipts	3353	14738	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	2474	5512	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).				
6. (-) All other payments	11368	23986	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	17422	21964	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	17422	21964	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	98499	166082	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.				
10. Total borrowings	NIL	NIL	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)		<table border="1"> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td></td> <td>✓</td> </tr> </table>	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.
Yes	No						
	✓						

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

Date

14/06/2017

I confirm that these accounting statements were approved by this smaller authority on:

14/06/2017

and recorded as minute reference:

95-7

Signed by Chair at meeting where approval is given:

Section 3 – External auditor report and certificate

In respect of:

Enter name of
smaller authority here:

CULMSTOCK PARISH COUNCIL

1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual 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. 2016/17 External auditor report

~~(Except for the matters reported below)~~ on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative 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 smaller authority:

See attached

(continue on a separate sheet if required)

3. 2016/17 External auditor certificate

We certify/~~do not certify~~* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

* We do not certify completion because:

External auditor signature

Grant Thornton UK LLP

External auditor name

Grant Thornton UK LLP

Date

30.09.17

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk).

This page is part of Section 3 - External auditor certificate and opinion 2016/17

Culmstock Parish Council

External Auditor Report for the year ended 31 March 2017

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

Internal audit report inconsistent with AGS

The internal auditor has answered 'Yes' to Objective F in relation to petty cash. This should state 'not covered' as the Authority does not operate a petty cash system.

The Authority should ensure that the internal auditor's report is reviewed before sending the Annual return to the external auditors. The Authority should minute this process. If there are any errors in the internal auditors report it should either be amended by the Internal Auditor or the Authority should provide an explanation for the error.

Accounting for fixed assets – gifted/community assets

Authorities are required to account for fixed assets at purchase cost. If this is not known a proxy cost should be substituted. If the Authority receives an asset as a gift/transfer of community asset at no cost, it should be included in the asset register at a nominal £1 value. We have identified that the Authority holds assets that have not been given a value and are therefore not accounted for in Box 9. The Authority should give the gifted/community assets at a nominal value of £1 in the asset register and include the value in Box 9. The Authority should restate the 2017 figure in the 2018 annual return and write 'restated' beneath the £ sign in the 2017 column.

Guidance on accounting for fixed assets is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2016) sections 2.24 to 2.28 and 5.137 to 5.141

Grant Thornton UK LLP

Grant Thornton UK LLP

Date 20.09.17

Our ref DVN123

Annual internal audit report 2016/17 to

Enter name of
smaller authority here:

CULMSTOCK PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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 smaller 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. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed):

Name of person who carried out the internal audit SANDRA ALDWORTH

Signature of person who carried out the internal audit Date 26/06/2017

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



Schedule C1

Identifying which variances require explanation

Authority name and reference	CULMSTOCK PARISH COUNCIL				
Box on Section 2 Accounting Statements	(a) 2016 £	(b) 2017 £	(c) Variance Increase(+) or decrease(-) (b - a) £	(d) Variance divided by 2016 figure times 100 (c / a *100) %	Explanation required? Less than £250 or 15%? - NO More than 15%? - YES
Box 2 -Precept or Rates and Levies	14999	19302	4303	28.69	YES
Box 3 -Total other receipts	3353	14738	11385	339.55	YES
Box 4 -Staff costs	2474	5512	3038	122.78	YES
Box 5 -Loan interest/ capital repayments	NIL	NIL	NIL	NIL	N/A
Box 6 -All other payments	11368	23986	12618	110.99	YES
Box 9 -Total fixed assets plus long-term investments and assets	98499	166082	67583	68.61	YES
Box 10 – Total borrowings	Nil	Nil	N/A	N/A	N/A



Explanations of individual variances

Authority name and reference	CULMSTOCK PARISH COUNCIL	
BOX NO	2	
(b) Figure in 2017 column - £19302		19302
(a) Figure in 2016 column - £14999		14999
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		4303

Reasons (as many as are applicable)	Amount
Reason 1 – <u>Parish Maintenance</u> Cemetery (875) Highways, grass cutting/hedging etc (920), Road warden (2000), Dog bags (350), defibrillator (2500), No noticeboard (-1000), street signs (200), grants (150), Parish Plan (100), no election (-600), misc (100)	5595
Reason 2 – <u>Office and other similar expenses</u> Office (80), website (100), professional/insurance/legal fees (325), training (200), Hall hire (-50)	655
Reason 3- <u>Income expected</u> (VAT £1400), Bier Hire (£300), No P3 grant (-£400)	-1300
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	4950
(f) Unexplained amount £ of total variance at (d - e)	647
Unexplained as % of 2016 figure (f / a *100) (must be below 15%)	4.31



Schedules for submission to external auditor

<p>Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations</p>	<p>YES</p>
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Explanations of individual variances

Authority name and reference	CULMSTOCK PARISH COUNCIL	
BOX NO	3	
(b) Figure in 2017 column		14738
(a) Figure in 2016 column		3353
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		11385

Reasons (as many as are applicable)	Amount £
Reason 1 No VAT claimed in 2015/16	4219.52
Reason 2 Higher income from Cemetery	140.00
Reason 3 More Grants awarded: £2800 S106, £2500 Tap Fund, £703.16 Government Transparency Grant,	6003.16
Reason 4 Wayleave agreement	140.00
Reason 5 – Insurance Claim awarded	915.48
Reason 6 Reduction in CTR Grant	-34.20



Schedules for submission to external auditor

(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	11384.00
(f) Unexplained amount £ of total variance at (d - e)	1.00
Unexplained as % of 2016 figure (f / a *100) (must be below 15%)	N/A
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	N/A



Explanations of individual variances

Authority name and reference	CULMSTOCK PARISH COUNCIL	
BOX NO	4	
(b) Figure in 2017 column		5512
(a) Figure in 2016 column		2474
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		3038

Reasons (as many as are applicable)	Amount £
Reason 1 Clerk left post in December 2015, no Clerk in post until April 2016. Hours increased when new Clerk in post due to increase in workload.	3038
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	3038
(f) Unexplained amount £ of total variance at (d - e)	n/a
Unexplained as % of 2016 figure ($f / a * 100$) (must be below 15%)	n/a
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	n/a



Explanations of individual variances

Authority name and reference	CULMSTOCK PARISH COUNCIL	
BOX NO	6	
(b) Figure in 2017 column		23986
(a) Figure in 2016 column		11368
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		12618

Reasons (as many as are applicable)	Amount £
Reason 1. <u>Office, professional, vat & similar expenses</u> Increase in vat due to more expenditure (£1085.37), lower audit costs (-£85), lower insurance premium (-£190.12), Office equipment purchased (£2040.84), more subscriptions + increase (£127.79), no other professional fees and bridge prof fees now coded against Colliers footbridge project (-£834.50), no election fee (-£157.35), website required (£575),	2562.03
Reason 2. <u>General village/parish maintenance and expenditure</u> All grass cutting now coded together (£1765), Cemetery grass cutting coded separately in previous year (-2425.25), dog bags (£117.51), Colliers footbridge project fees (£2570), Grant given to village hall for renovations (£4700), Hall hire (£46.50), maintenance works required at playing field (£1270), new gates on footpath (£728.06), noticeboard purchased in previous year (-£127.97), cutting of verges by DCC (£796.29), non-routine maintenance required-tree felling (£420),	9860.14
Reason 3. <u>Miscellaneous etc.</u> Less miscellaneous (-£95.55), annual parish meeting refreshments (£290.72).	195.17



Schedules for submission to external auditor

(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	12167.34
(f) Unexplained amount £ of total variance at (d - e)	n/a
Unexplained as % of 2016 figure ($f / a * 100$) (must be below 15%)	n/a
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	n/a

Explanations of individual variances

Authority name and reference	CULMSTOCK PARISH COUNCIL	
BOX NO	9	
(b) Figure in 2017 column		166082
(a) Figure in 2016 column		98499
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		67583

Reasons (as many as are applicable)	Amount £
Reason 1 Completion of barbeque huts and pavilion at Parish Playing field, together with new banqueting tables and entrance gate. Organised by voluntary group with Parish and obtained via grant.	66625
Reason 2 New gates along Parish footpath	821
Reason 3 Office equipment updated	135
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	67581
(f) Unexplained amount £ of total variance at (d - e)	2
Unexplained as % of 2016 figure ($f / a * 100$) (must be below 15%)	
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	YES