

## Certificate of Exemption – AGAR 2018/19 Part 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2019, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the authority has certified itself as exempt at a meeting of the authority after 31 March 2019 and a completed Certificate of Exemption is submitted notifying the external auditor.

### HEADLEY PARISH COUNCIL

certifies that during the financial year 2018/19, the higher of the authority's gross income for the year **or** gross annual expenditure, for the year did not exceed **£25,000**

Annual gross income for the authority 2018/19:

15 312

Annual gross expenditure for the authority 2018/19:

10 421

There are certain circumstances in which an authority will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If an authority is **unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Part 3 to the external auditor to undertake a limited assurance review for which a fee of **£200 +VAT** will be payable.

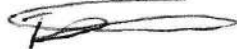
By signing this **Certificate of Exemption** you are confirming that:

- The authority has been in existence since before 1st April 2015
- In relation to the preceding financial year (2017/18), the external auditor **has not**:
  - issued a public interest report in respect of the authority or any entity connected with it
  - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
  - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
  - commenced judicial review proceedings under section 31(1) of the Act
  - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If you are able to confirm that the above statements apply and that the authority neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, Annual Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on a public website\* before 1 July 2019. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer



Date

20/04/19

Signed by Chairman



Date

20/5/19

Email

clerk@headley-pc.gov.uk

Telephone number

07778 546477

\*Published web address

headley-pc.gov.uk

**ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor.**



# Annual Internal Audit Report 2018/19

## HEADLEY PARISH 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 2019.

The internal audit for 2018/19 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.			✓ None
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.	✓		
K. IF the authority 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 authority 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 ✓
<b>M. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable ✓

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

29/4/2019

Name of person who carried out the internal audit

MARK MULBERRY BA (HONS) FCCA CMA

Signature of person who carried out the internal audit

*Mark Mulberry*

Date

29/4/2019

\*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 2018/19

We acknowledge as the members of:

### HEADLEY PARISH 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:

	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.</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
			✓
			<i>has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.</i>

\*For any statement to which the response is ‘no’, an explanation should be published

This Annual Governance Statement was approved at a meeting of the authority on:

23/04/19

and recorded as minute reference:

4

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

Chairman

*D. J. Freedy*

Clerk


*[Signature]*



## Section 2 – Accounting Statements 2018/19 for

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	11502	14551	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.  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	13500	13500	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	2304	1812	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	4042	4272	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	1000	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	7713	6149	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	14551	19442	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	14551	19442	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	66506	66506	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	0	0	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 as a body corporate 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 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 authority. Signed by Responsible Financial Officer before being presented to the authority for approval

  
Date 29/04/2019

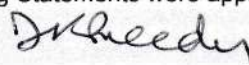
I confirm that these Accounting Statements were approved by this authority on this date:

20/5/19

as recorded in minute reference:

6

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



# Explanation of variances

Name of smaller authority: **Headley Parish Council**  
County area: **MVDC**

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

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

	2017/18 £	2018/19 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. <b>DO NOT OVERWRITE THESE BOXES</b>	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward *	11,502	14,551				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	13,500	13,500	0	0.00%	NO		
3 Total Other Receipts	2,304	1,812	-492	21.35%	YES		Difference in VAT = 380.23
4 Staff Costs	4,042	4,287	245	6.06%	NO		
5 Loan Interest/Capital Repayment	1,000	0	-1,000	100.00%	YES		No loan to pay back
6 All Other Payments	7,713	8,134	-1,579	20.47%	YES		£1500 playground netting
7 Balances Carried Forward	14,551	19,442			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	14,551	19,442				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments a	86,506	86,506	0	0.00%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable





Date	Details	Amount
20-04-18	Tracy Hamer Salary	336.8
01-05-18	SALC - Annual Subscription	100
21-05-18	Tracy Hamer Salary	375.16
24-05-18	Clerks Expenses	111.65
30-05-18	Headley Village Stores - catering for AVM	196.92
30-05-18	NJ Birch - Strimming Services	289.2
31-05-18	Mulberry & Co - Internal Audit	194.58
15-06-18	Came & Company - Insurance	596.54
20-06-18	Tracy Hamer Salary	355.98
10-07-18	NJ Birch - Strimming Services	696
20-07-18	Tracy Hamer Salary	355.98
25-07-18	Satswana - GDPR DPO	180
08-08-18	NJ Birch - Strimming Services	248.4
20-08-18	Tracy Hamer Salary	355.98
20-09-18	Tracy Hamer Salary	355.98
09-10-18	NJ Birch - Strimming Services	985.2
09-10-18	Headley Village Hall - Ramp Donation at Shop	1000
20-10-18	Tracy Hamer Salary	355.98
20-11-18	Tracy Hamer Salary	355.98
06-12-18	SSALC - Conference	108
20-12-18	Tracy Hamer Salary	355.98
20-01-19	Tracy Hamer Salary	355.98
08-02-19	NJ Birch - Strimming Services	289.2
20-02-19	Tracy Hamer Salary	355.98
20-03-19	Tracy Hamer Salary	355.98

Prepared April 2019

**Headley Parish Council**  
**NOTICE OF PUBLIC RIGHTS AND PUBLICATION**  
**OF ANNUAL GOVERNANCE & ACCOUNTABILITY**  
**RETURN (EXEMPT AUTHORITY)**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**Local Audit and Accountability Act 2014 Sections 25, 26 and 27**  
**The Accounts and Audit Regulations 2015 (SI 2015/234)**

**NOTICE**

**1. Date of announcement – Thursday 23<sup>rd</sup> May 2019**

**2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review.**

**Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2019, these documents will be available on reasonable notice by application to:**

Tracy Hamer, Clerk & RFO, 28 Effingham Road RH2 7JN,  
[clerk@headley-pc.gov.uk](mailto:clerk@headley-pc.gov.uk), 07778546477

commencing on Tuesday 4<sup>th</sup> June 2019

and ending on Friday 12<sup>th</sup> July 2019

**3. Local government electors and their representatives also have:**

- The opportunity to question the appointed auditor about the accounting records; and
- The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

**4. The smaller authority's AGAR is only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:**

PKF Littlejohn LLP (Ref: SBA Team)  
1 Westferry Circus  
Canary Wharf  
London E14 4HD

([sba@pkf-littlejohn.com](mailto:sba@pkf-littlejohn.com))

**5. This announcement is made by Tracy Hamer, Clerk & RFO**



# Headley Parish Council Asset Register – Reviewed at HPC Meeting, see 28.01.19 Item 5

Date of Acquisition	Asset Description	Cost/ Proxy Cost	Insurance Value	Replacement Value	Location of Asset	Condition of Asset	Useful Life	Custodian	Last checked
22/12/99	Chairman's Badge of Office	£595.75	£1777.04		Chairman's Home	Good	In Perpetuity	Chairman	26/01/19
31/05/06	Vehicle Activated Sign	£2,491	NA	NA	On one of 4 posts in village	NA	Expired	Police	
2014	Noticeboard	£1,145	~	£1,145	Village Shop	Good		HPC	
	Noticeboard (Donated)*	£1	~£4,138.69 for 5 items	£1,145	Broom Close Bus Stop	Fair		HPC	
	Village Beacon (Donated)**	£1	~	£1,086.50	Behind Church	Good		HPC	
	Village Bench	£291	~	£310	Village Shop	Good		HPC	
	Village Seat (Donated)	£1	~	£400	Playground	Good		HPC	
12/01/16	Dell Laptop	£315.55	Covered under office equipment	£315.55	Clerk's Home	Good		Clerk	
12/01/16	Cannon Printer/Scanner	£57.49		£57.49	Clerk's Home	Good		Clerk	
	Gates and Fences	£8,317	£12,568.34		Playground Perimeter	Good		HPC	Twice monthly Inspections by HPC
	<b>Playground Equipment:</b>								
	Shelter	£4,291			Playground	Good		HPC	Twice monthly Inspections by HPC
	Nest Swing	£2,565			Playground	Good		HPC	Twice monthly Inspections by HPC
	Team Swing	£4,198			Playground	Good		HPC	Twice monthly Inspections by HPC
	City Quad Rider	£1,970			Playground	Good		HPC	Twice monthly Inspections by HPC
	Supa Nova	£5,529			Playground	Good		HPC	Twice monthly Inspections by HPC
	Games Table	£521			Playground	Good		HPC	Twice monthly Inspections by HPC

15/05/17	Tower Unit with Slide	£7,549		Playground	Good	HPC	Twice monthly Inspections by HPC
	Sleeper Steps	£1,032		Playground	Good	HPC	Twice monthly Inspections by HPC
	Embankment Ramp	£1,448		Playground	Good	HPC	Twice monthly Inspections by HPC
	Adventure Trail	£2,893		Playground	Good	HPC	Twice monthly Inspections by HPC
	Boulders and Trunks	£1,845		Playground	Good	HPC	Twice monthly Inspections by HPC
	Surfacing	£2,597		Playground	Good	HPC	Twice monthly Inspections by HPC
	Path	£2,663		Playground	Good	HPC	Twice monthly Inspections by HPC
	Archway Sign	£1,339		Playground	Good	HPC	Twice monthly Inspections by HPC
	Entrance Sign	£466		Playground	Good	HPC	Twice monthly Inspections by HPC
	Football/Basketball Goals x2	£8,988		Playground	Good	HPC	Twice monthly Inspections by HPC
	Netting	£1,400	£1,456.00	Playground	New	HPC	Twice monthly Inspections by HPC
		***Insured value for all Playground Equipment	£60,020.86				

\* Purchased in 2014 to replace its predecessor which was purchased in celebration of the PC Centenary. The other was second hand and donated by the NT but the PC gave a donation to the Friends of Headley Heath.

\*\* Beacon was donated by Headley Court. The post was bought by the PC Jubilee Committee from the NT and erected by Headley residents. Although located in the churchyard, the beacon is the property of Headley Parish Council.

\*\*\*Insurers recommend counting full cost price (not discounted price) for insurance purposes, plus delivery and installation, but exclude costs of uplifting, site containers or welfare facilities.

Note: Government audit regulations require that as from 2010/11, items which were donated or are of an unknown purchase cost, be shown at current value. This has been done where possible where prices for items of a similar nature can be found, if not are at current insured values.

M&G Investments – valuation as of 5<sup>th</sup> October 2017: £2,086.24



Summary

	<u>Insured Value</u>	<u>Purchase cost/current value</u>
Headley Parish Council Assets	£80,223.38	£64,509.79
M&G Investment at 05/04/17	NA	£2,086.24
<b>TOTAL</b>	<b>£80,223.38</b>	<b>£66,596.03</b>

# HEADLEY PARISH COUNCIL - FINANCIAL POSITION AT 31/3/19

HEADLEY PARISH COUNCIL - FINANCIAL POSITION AT 31/3/19						
Expenditure			Anticipated/	Full year	Variance	
	Budget	Paid	Committed	Forecast	on budget	Notes
<b>Administration:</b>						
Clerk's expenses	20.00	35.60	0.00	35.60	(15.60)	35.60 - from previous financial year
Broadband contribution	120.00	100.00	0.00	100.00	20.00	£20 uncleared cheque @ 31/3/19
Clerk's mileage	360.00	192.40	0.00	192.40	167.60	£36.40 uncleared cheque @ 31/3/19
IT Equipment and Supplies	100.00	37.70	0.00	37.70	62.30	
Village Hall rental (Including Heritage W/E)	450.00	296.00	0.00	296.00	154.00	£74 uncleared cheque @ 31/3/19
SALC membership	195.00	195.00	0.00	195.00	0.00	
SLCC membership	130.00	74.80	0.00	74.80	55.20	Split with BPC
Subscriptions & donations	130.00	40.00	0.00	40.00	90.00	
Insurance	575.00	596.54	0.00	596.54	(21.54)	
Internal Audit	250.00	162.15	0.00	162.15	87.85	Incl Travel expenses
Audit Commission (PKF)	0.00	0.00	0.00	0.00	0.00	
Data Protection - annual notification fee and GDPR	35.00	190.00	0.00	190.00	(155.00)	Includes annual Satswana fee (not in budget)
Bank - Certificate holding fee	15.00	0.00	0.00	0.00	15.00	
Courses/training	300.00	90.00	0.00	90.00	210.00	£24 uncleared cheque @ 31/3/19
Council tax shortfall	0.00	0.00	0.00	0.00	0.00	
<i>Total Administration:</i>	<i>2,680.00</i>	<i>2,010.19</i>	<i>0.00</i>	<i>2,010.19</i>	<i>669.81</i>	
<b>Salary Costs:</b>						
Clerk's salary (inc annual leave lieu payment)	4,900.00	4,271.76	0.00	4,271.76	628.24	
Payroll fees	180.00	30.00	0.00	30.00	150.00	£30 uncleared cheque @ 31/3/19
<i>Total Salary Costs:</i>	<i>5,080.00</i>	<i>4,301.76</i>	<i>0.00</i>	<i>4,301.76</i>	<i>778.24</i>	
<b>Community Support:</b>						
Playground Lease Rent	50.00	50.00	0.00	50.00	0.00	
Projects	1,000.00	1,000.00	0.00	1,000.00	0.00	Donation for shop ramp, agreed in previous year
Playground - weed spraying	150.00	0.00	0.00	0.00	150.00	
Playground grass "cut & collect" service	0.00	0.00	0.00	0.00	0.00	Offset against extra grant from MVDC
Football/play area inspection & annual safety check	0.00	0.00	0.00	0.00	0.00	Free of Charge inspection 2015-18
Playground equipment	500.00	0.00	0.00	0.00	500.00	
Gateway signs and around shop - strimming	500.00	690.00	0.00	690.00	(190.00)	
Footpath maintenance	1,350.00	1,160.00	0.00	1,160.00	190.00	
Church Lane Footpath Clearance	240.00	240.00	0.00	240.00	0.00	
Grit for Broome Close grit bin	100.00	0.00	0.00	0.00	100.00	
Annual Village Meeting refreshments	300.00	196.92	0.00	196.92	103.08	
PC meeting refreshments	140.00	87.75	0.00	87.75	52.25	£12 uncleared cheque @ 31/3/19
Website hosting/maintenance & support	300.00	0.00	0.00	0.00	300.00	NOTE: Potential cost of £900 for 3 years hosting/maintenance
Contingencies and small works	300.00	0.00	0.00	0.00	300.00	
Newsletter	300.00	180.00	0.00	180.00	120.00	
Section 137 Fund	100.00	0.00	0.00	0.00	100.00	
<i>Total Community Support:</i>	<i>5,330.00</i>	<i>3,604.67</i>	<i>0.00</i>	<i>3,604.67</i>	<i>1,725.33</i>	
<b>Loan expenses:</b>						
Loan interest	0.00		0.00	0.00	0.00	
Loan Capital repayments	0.00	0.00	0.00	0.00	0.00	
<i>Total Salary Costs:</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	



<b>Total expenditure excluding VAT</b>	13,090.00	9,916.62	0.00	9,916.62	3,173.38	
VAT on PC expenditure	0.00	504.43	0.00	504.43	(504.43)	
	-----	-----	-----	-----	-----	
<b>Gross expenditure including VAT</b>	13,090.00	10,421.05	0.00	10,421.05	2,668.95	
	=====	=====	=====	=====	=====	
<b>Income</b>					<b>Variance</b>	
	<b>Budget</b>	<b>Received</b>	<b>Anticipated</b>	<b>Forecast</b>	<b>on budget</b>	
Precept	13,500.00	14,296.00	0.00	14,296.00	796.00	
MVDC recreation grant	275.00	0.00	0.00	0.00	(275.00)	
Bank interest		8.99		8.99	8.99	
M & G dividends	70.00	92.31	0.00	92.31	22.31	
Miscellaneous		30.00		30.00	30.00	Litter pick
	-----	-----	-----	-----	-----	
<b>Total income excluding VAT</b>	13,845.00	14,427.30	0.00	14,427.30	582.30	
VAT refund (prior year)	0.00	884.56	0.00	884.56	884.56	
VAT refund (current year)	0.00	0.00	0.00	0.00	0.00	
	-----	-----	-----	-----	-----	
<b>Gross income including VAT</b>	13,845.00	15,311.86	0.00	15,311.86	1,466.86	
	=====	=====	=====	=====	=====	
<b>Balance Sheet</b>						
<b>Reserves:</b>		<b>Bank balances at 31/3/19</b>				
		Current account	1,923.92			
Opening Reserves from previous year	14,551.05	Savings account	17,517.94	19,441.86		
Plus: anticipated full-year gross receipts	15,311.86	add: anticipated income and VAT receivable		0.00		
Less: Anticipated full-year gross expenses	10,421.05	less: anticipated expenditure and VAT paid		0.00		
	-----			-----		
<b>Anticipated Closing Reserves at year-end</b>	<b>19,441.86</b>	<b>Anticipated Bank balances at year-end</b>	<b>19,441.86</b>			Correctly balanced
	-----			-----		
		<b>Long-term Investment</b>				
		M & G Bonds @ Book Value	1,995.84			Value at Nov 2017 is 2086.24
				-----		
		<b>Total realisable funds at year-end</b>	<b>21,437.70</b>			
				=====		
<b>Forecast Reconciliation of reserves @ 31/3/2019</b>						
	<b>b/f</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Carried forward</b>	
Reserve for contested election costs	2,000.00	0.00		500.00	2,500.00	
Village of the Year prize 2007 - 2011 (balance)	166.00				166.00	
Parish Plan revision	300.00				300.00	
Funds committed to projects	1,000.00			(1,000.00)	0.00	Ramp at shop
Uncleared cheques at year-end	0.00			196.40	196.40	
General reserve	11,085.05	15,311.86	10,421.05	303.60	16,279.46	
	-----	-----	-----	-----	-----	
<b>Total reserves</b>	<b>14,551.05</b>	<b>15,311.86</b>	<b>10,421.05</b>	<b>0.00</b>	<b>19,441.86</b>	
	=====	=====	=====	=====	=====	
General reserve as % of Precept	77.5%				113.9%	50% is typical prudent level






## MULBERRY & CO

Chartered Certified Accountants  
Registered Auditors  
& Chartered Tax Advisors

9 Pound Lane  
Godalming  
Surrey, GU7 1BX

t + 44(0)1483 423054  
e office@mulberryandco.co.uk  
w www.mulberryandco.co.uk

Our Ref: MARK/HEA003

Mrs T Hamer  
Headley Parish Council  
28 Effingham Road  
Reigate  
Surrey  
RH2 7JN

29<sup>th</sup> April 2019

Dear Tracy

**Re: Headley Parish Council**  
**Internal Audit Year Ended 31<sup>st</sup> March 2019**

Following completion of our audit on the 29<sup>th</sup> April we enclose our report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. Where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority's approval of the annual governance statement.

### **Audit – Summary Findings**

At the visit we reviewed and performed tests on the following areas:

- Review of the Financial Regulations & Standing orders
- Review of the Risk Assessments
- Review of the Budgeting process
- Proper Bookkeeping – review of the use of the accounts package.
- Review of annual accounts & AGAR
- Review of bank reconciliation
- Review of income
- Review of salaries
- Review of Fixed Assets and Investments register

It is our opinion that the systems and internal procedures at Headley Parish Council are well established, regulated and followed. It is clear the council takes policies and procedures very seriously and I am pleased to report that overall the systems and procedures you have in place are entirely fit for purpose.

I am of the opinion that the annual accounts and AGAR are ready to be signed off by council, the exemption certificate sent to the external auditor and that the AGAR is a true and fair reflection of the financial transaction of that of the council for the year ended 31st March 2019. Accordingly, I have signed off the AGAR.

#### **A. BOOKS OF ACCOUNT**

The council continues to use Ezpz and excel for recording the day to day transactions of that of the council. On average there are approximately a half dozen transactions per month and the package is populated on a regular basis. The clerk produces in hard and soft copy a bi-monthly bank reconciliation, a payment list and authorisation list together with bi-monthly budget monitoring.

My audit testing showed that supporting documentation could be easily located from records. I make no recommendation to change in this system.

I tested opening balances as at 1/4/18 and confirmed they could be agreed back to the audited accounts for 2017/18.

The Council is not VAT registered and VAT was reclaimed in the year. The amounts shown on the return could be agreed to the underlying cashbook.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change. I am of the opinion that the control assertion of "Appropriate accounting records have been properly kept throughout the financial year" has been met.

#### **B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS**

##### **Interim Audit**

*Check the publication & minuting of the prior year audited AGAR and notice of conclusion of audit.*

The AGAR was taken to council and minuted and the website was populated with the correct information.

*Confirm by sample testing that councillors sign statutory office forms*

I confirmed by sample testing that Councillors sign "Acceptance of Office" forms, register of members interests and notification to receive information by electronic means, all in line with regulations.

*Confirm that the Council is compliant with the relevant transparency code.*

I note that the Council is required by law to follow the Transparency Code, a review of the web site has shown that the code is being followed.

*Confirm that the Council is compliant with the GDPR.*

The council is aware of GDPR and has appointed external consultants to assist with this and the new council web site. A common email system such as [cllr.name@headly](mailto:cllr.name@headly)..... is recommended because it gives a natural segregation so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

*Confirm that the Council meets regularly throughout the year*

Full Council; meets circa bi monthly

*Check that agendas for meetings are published giving 3 clear days' notice.*

The Clerk was able to demonstrate that at least 3 clear days' notice is given on both web site and hard copy agendas.

*Check the draft minutes of the last meeting(s) are on the council's website*

Draft minutes are uploaded to the council website.



*Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months.*

The standing orders are based on the NALC model. These were reviewed in January 2019.

*Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.*

Financial regulations are based on the NALC model and are dated March 2018. The regulations being based on the NALC model contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

*Check that the council's Financial Regulations are being routinely followed.*

The de-minimis limit recorded in the Financial Regulations for the competitive purchase of items and services is as listed below.

- £20,000 + Tender Process
- £1,000 - £20,000 3 quotations are required.
- £200 - £1,000 – strive to get 3 estimates
- 0 - £200 – power to spend

Financial regulation 3 deals with budgetary control and authority to spend. The council has thresholds in place at which authorisations to spend must be obtained.

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit. Cheques must be signed by two individuals.

I discussed the purchasing system with the clerk vis-à-vis financial regulations 3 to 6 and ascertained that the regulations are being followed at a local level as described below:

1. Regular and recurring expenditure (rent, rates, wages, light & heat, contractual spend etc.) is known and authorised in advance (budget setting or tender process).
2. An ad hoc expenditure requirement is identified and noted to the clerk – this can be from a number of sources and depending on the financial amount will be discussed in advance with council, committee or chair. This will be noted in the minutes. My audit testing showed via the minutes that there is where appropriate discussion of expenditure before the orders are placed.
3. The order is made by the clerk – councillors are not allowed or permitted to place amend or vary orders.
4. The supplier invoice, when received, is reviewed and then batched ready for the next meeting.
5. Cheques are pre written and taken to the meeting for signing along with verification of supplier invoices. My audit testing showed that supplier invoices are all annotated.
6. Entries made to accounts package at point of writing cheque.

*Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £7.86 per elector.*

The council has made £1,000 of grants

*Confirm that checks of the accounts are made by a councillor.*

The system noted above details internal review takes place and councillor, committee and council level. I am under no doubt that council properly approves expenditure.

I am of the opinion the council is following its own regulations and that any changes to financial regulations are to be considered minor and no indicative of errors in the system. I am therefore of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for", has been met.

#### **Final Audit**

All Other Payments £6,149 (2018: £7,713).

I have reviewed the expenditure list which is broadly similar to the prior year after accounting for one of expenditure items. We found no evidence of breaches of financial regulations in the sample testing completed.

I am of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for", has been met.

#### **C. RISK MANAGEMENT & INSURANCE**

The council has a detailed risk assessment document which was reviewed in January 2019. The document is comprehensive a covers not only trips and hazards, but also financial and management risks. This is entirely fit for purpose and I make no recommendation to change.

I have confirmed that the Council has a valid insurance certificate. The Council reviews its insurance requirements as part of the renewal process. Asset & money cover appears adequate.

I am of the opinion that the control objective of "This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.", has been met

#### **D. Budget, precept & reserves**

Reserves Carried Forward £19,442 (2018: £14,551)

The council has £500 of earmarked reserves and £19k general reserve. Rule of thumb calculations would indicate that the general reserve of circa £8k as adjusted for local conditions would be more appropriate. The council has indicated that there could be fall in precept in future years, due to changes in band D properties.

The Council was able to demonstrate that budget monitoring reporting to members is comprehensive, and is appropriately minuted.

I am of the opinion that the control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.", has been met.

#### **E. Income**

Precept income £13,500 (2018: £13,500)

Other income £1,812 (2018: £2,304)

The precept income was tested to remittance advice notes and bank statements, these were properly received and banked. There are no errors to report.

Other income comprises, grants, interest, donations & VAT refund. I have reviewed the cashbook and was able to agree receipts to remittances and bank statements. There were no errors.

I am of the opinion that the control objective of "Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.", has been met.

#### **F. Petty cash**

No petty cash

#### **G. Payroll**

Salaries: £4,271 (2018: £4,042)

The council has one employee. The payroll is outsourced. The payroll is reconcilable to the AGAR and P60.

I am of the opinion that salaries are correctly stated on the AGAR and that the control object of "Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.", has been met.

#### **H. Assets and investments**

Fixed Assets and Investments £66,506 (2018: £66,506)

The fixed asset register agreed to the AGAR, the register lists the assets, their cost or proxy cost together with insurance values. Assets are correctly stated at historic cost. The council purchased new cricket/football nets in year.

I am of the opinion that the control objective of "Asset and investments registers were complete and accurate and properly maintained.", has been met.

#### **I. Bank reconciliations**

Bank & Cash Balances £19,442 (2018: £14,551)

Loan Interest & Capital £nil, (2018: £1,000)

Total Borrowings £nil (2018: £Nil)

At the year-end date the council had a reconciled bank position. I have reviewed the reconciliation there were no outstanding payments. We did note that there was £196.40 of expenditure that is showing as cleared in April 2019 that relates to 2018/19 year-end. Strictly speaking this should be expenditure items in the year and then shown outstanding cheques at the year end on the bank reconciliation.

I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of "Periodic and year-end bank account reconciliations were properly carried out.", has been met.

#### **J. YEAR END ACCOUNTS**

The year-end accounts have been correctly prepared on the receipts and payments basis, with no requirement of a box 7 & 8 reconciliation.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2017/18 AGAR. The variance analysis is required for boxes 3, 5 & 6 only.

I am of the opinion the AGAR exemption certificate will be ready for submission to the external auditor within statutory time scales and that the control objective of "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.”, has been met.

#### **K. TRUSTEESHIP**

No trusts.

#### **L: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS (FINAL AUDIT)**

This new internal control objective is not active for 2018-19 financial year. However, I confirmed with the RFO that arrangements are in place at this Council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

Inspection - Key date	2017-18 Actual	2018-19 Proposed
Accounts approved at full council	21 <sup>st</sup> May 2018	20 <sup>th</sup> May
Date Inspection Notice Issued and how published	13 <sup>th</sup> June	21 <sup>st</sup> May
Inspection period begins	13 June	17 June
Inspection period ends	24 July	26 July
Correct length	Yes	yes
Common period included?	Yes	yes
Summary of rights document on website?	Attached to inspection announcement	Attached to inspection announcement

I am satisfied the requirements of this control objective were met for 2017-18, and assertion 4 on the annual governance statement can therefore be signed off by the Council. Plans are also in place to allow for inspection periods to be published and set correctly for 2018-19 accounts – the Council is planning to follow dates suggested by external audit.

Should you have any queries please do not hesitate to contact me, attention.

Kind regards  
Yours sincerely



**Mark Mulberry**

## Headley Parish Council - Risk Register

*Updated following Parish Council Meeting on 28/01/2019*

<b><u>RISK</u></b>		<b><u>INTERNAL CONTROLS</u></b>
<b><u>Areas of risk managed by insurance</u></b>		
1. Protection of physical assets, i.e. equipment	Loss or Damage Insurance	Items listed in Asset Register, reviewed annually, and minuted
2. Damage to third party property or individuals as a consequence of Council providing services or amenities	Public liability Insurance	Reviewed annually
3. Accident liability to Councillors & Clerk on business	Public liability insurance	Renewed annually
4. Loss of cash through theft or dishonesty by Clerk or Councillors	Fidelity Guarantee	Reviewed annually
5. Libel and slander	Insurance indemnity	Reviewed annually
6. Legal liability as a consequence of asset ownership	Public liability insurance	Assets recorded in Asset Register & reviewed annually, or sooner if required
7. Sign cleaning by Councillors	Public liability insurance	Reviewed annually
8. Village litter picking	Public liability insurance	Reviewed annually & risk assessment, high vis clothing, children away from roads
<b><u>Other areas of risk</u></b>		
9. Banking arrangements	Two signatures on all financial transactions	Regular bank reconciliations, Internal audit

10. Proper financial records in accordance with statutory requirements	Managed by computer package 'Home Accounts 4'. Accounts given to Cllrs. bi-monthly.	Accounts for payment only agreed at PC meetings. Internal & external audit
11. M & G Bonds	Kept in Lloyds Bank vaults - 2 Councillors to authorise any transactions	Internal audit
12. Ensuring all activities are within legal powers for Parish Councils	Reference to Statutes	Reference made to "Local Council Administration", 6th Edition, & SCAPTC
13. Expenditure risk - fraud	Two councillor's signatures required for cheque payments and withdrawals	Internal audit
14. Expenditure risk - value for money	Two quotations required for expenditure over £250. Three quotations for expenditure over £1,000	Agreed at PC meeting before acceptance, or by at least 3 Councillors between meetings if urgent
15. Emergency expenditure - up to £200	Authority given to Clerk	Clerk to report to Parish Council as soon as possible for retrospective approval
16. Clerk's salary	Nationally agreed rates advised by NALC	Approved & Minuted at meeting
17. Recovery of VAT	Clerk makes application to HMRC annually	Internal audit
18. Ensuring all requirements are met under employment and Inland Revenue regulations	Contracts of Employment and tax procedures implemented	Internal audit
19. Ensuring all Custom & Excise Regulations (VAT) are met	Regular VAT return	Internal audit
20. Ensuring the adequacy of the annual precept within sound budgeting arrangements	Budgeting procedure adopted	Bi-monthly monitoring
21. Ensuring compliance with the Section 137 powers.	Reference to Statutes	Limit calculated and monitored
22. Proper, timely and accurate reporting of council business.	Minutes distributed and displayed, master signed	Minutes paginated and numbered
23. Responding to electors wishing to inspect accounts etc.	As per audit procedures	



24. Timetables for consultations	Actions listed and dates recorded in Minutes	
25. Proper document Control	All documents available from Clerk	Hard copies of key papers held. Electronic documents backed up monthly on memory stick and external hard drive. Cloud storage.
26. Loss of data	Regular backups of electronic data	Additional backup kept off site
27. Personal data	Annual subscription to ICO Registration (Data Protection)	Any physical data that is no longer needed will be destroyed by shredding. Training undertaken and DPO appointed to ensure compliance with new GDPR regulations.
28. Register of Members Interests	In place	Reviewed annually, following May meeting
29. Effective Internal controls	Annual review of risks	Standing Orders adopted
30. Future of Headley Court – temporary loss of Precept due to transition arrangements from Spring 2019	Arrange meeting with MVDC before Sept 2018 to ensure 2019-20 budget is prepared with full knowledge; if necessary, arrange contingency funding	Review in Sept 2019
31. Future of Headley Court – Permanent change in Precept if Dale View and Cunliffe Close status changes	Maintain Awareness by increased communication with MVDC and any future owners	Review in Sept 2019
32. Playground management & inspection	Councillors inspect fortnightly on rota basis	Completed sheet placed in file and handed to next inspector on rota, copy to Clerk
33. Website provider ceasing to trade	<p>Terms of business state that site content remains the property of the Parish Council and can be provided via Zip file on request. Can be requested if company ceases trading and uploaded to another provider. Back-ups are taken daily by parishcouncil.net and additional monthly backups to tape.</p> <p>Inability to implement changes to email arrangements when Councillors change.</p>	<p>HPC can additionally have a complete site back-up loaded to a secure online environment to access and download. This would entail a cost of £50.00 per annum.</p> <p>New website provider to be investigated.</p>

34. Sign cleaning by Councillors	Wear high visibility safety wear	
35. Event-driven risks	To be reviewed more frequently	To be flagged up with review timings given

Date	Details	Amount
20-04-18	Tracy Hamer Salary	336.8
01-05-18	SALC - Annual Subscription	100
21-05-18	Tracy Hamer Salary	375.16
24-05-18	Clerks Expenses	111.65
30-05-18	Headley Village Stores - catering for AVM	196.92
30-05-18	NJ Birch - Strimming Services	289.2
31-05-18	Mulberry & Co - Internal Audit	194.58
15-06-18	Came & Company - Insurance	596.54
20-06-18	Tracy Hamer Salary	355.98
10-07-18	NJ Birch - Strimming Services	696
20-07-18	Tracy Hamer Salary	355.98
25-07-18	Satswana - GDPR DPO	180
08-08-18	NJ Birch - Strimming Services	248.4
20-08-18	Tracy Hamer Salary	355.98
20-09-18	Tracy Hamer Salary	355.98
09-10-18	NJ Birch - Strimming Services	985.2
09-10-18	Headley Village Hall - Ramp Donation at Shop	1000
20-10-18	Tracy Hamer Salary	355.98
20-11-18	Tracy Hamer Salary	355.98
06-12-18	SSALC - Conference	108
20-12-18	Tracy Hamer Salary	355.98
20-01-19	Tracy Hamer Salary	355.98
08-02-19	NJ Birch - Strimming Services	289.2
20-02-19	Tracy Hamer Salary	355.98
20-03-19	Tracy Hamer Salary	355.98

Prepared April 2019