

# Milton Malsor Parish Council

## Notice of Public Rights & Publication of Unaudited Annual Governance & Accountability Return

Accounts for the year ended 31<sup>st</sup> March 2019

Local Audit & Accountability Act 2014 Sections 26 & 27  
The Accounts & Audit Regulations 2015 (S1 2015/234)

### NOTICE

Date of Announcement                    15<sup>th</sup> June 2019

Each year the smaller authority's Annual Governance & Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.

Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit 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:

Mrs Ann Addison, Clerk to the Council  
The Paddocks, Baker Street, Gayton, Northampton, NN7 3EZ  
Tel: 01604 858226  
EM: [a\\_addison@btinternet.com](mailto:a_addison@btinternet.com)

Commencing on:     Monday 17<sup>th</sup> June 2019  
Ending on:           Friday 26<sup>th</sup> July 2019

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 a 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 smaller authority's AGAR is subject to review by the appointed auditor under the provision of the Local Audit & Accountability Act 2014, the Accounts & Audit Regulations 2015 & the NAO Code of Audit Practice 2015.

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)

# Annual Internal Audit Report

(to be read in conjunction with the Annual Governance and Accountability Return)

Name of council:	Milton Malsor Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	08 & 17.05.2019
Year ending:	31 March 2019	Date audit carried out:	08.05.2019

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of every record and transaction of the Council in order to detect error or fraud. Consequently the report is limited to those matters set out below.*

***The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.***

## To the Chairman of the Council:

I carried out the Internal Audit of the Council on 08 and 17 May; thanks are due to Ann Addison, Clerk & RFO for her time and assistance.

During the course of the audit, I examined the Council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, data security and back-up and year-end procedures. I noted that last year, the External Auditor drew the Council's attention to the ability to claim exemption from external audit and that the Council availed itself of that opportunity.

I also sought evidence that the previous year's report from me as Internal Auditor had been properly reported to and actioned by the Council. Whilst it was reported, I remain concerned about the manner in which the Council is progressing its relationship with the Poors Charity. Last year, I said

*"I noted the request from the (apparently) sole trustee for the Council to take control of this village charity. There is a paucity of information about the recent history of the charity, in the absence of which I would advise the Council to exercise proper due diligence, including consulting with the Charity Commission and to proceed with great caution"*

During the course of the year, the Council appears effectively to have taken control of the charity's finances and apparently has established that it owns land (seemingly with development potential).

However, the Council has yet to gain site of the charity's Trust Deed and it is essential that it does so (the Charity Commission will no doubt be able to assist with this) because that is the definitive and authoritative source of information, including the charity's trustees and management structure. Without that information, there can be no certainty going forward and based on the information made available to me, I am unable to confirm whether the Council's response to question 9 in Section 1, the Annual Governance Statement or indeed an appropriate answer to question M in the Annual Internal Audit report, page 3 of the Annual Governance and Accountability Return (AGAR).

As a result of this audit, I would draw your attention to the following issue that the Council should consider and address *viz*;

- I have seen the financial control sheets used by the Clerk and Councillors when carrying out monthly bank and transaction checks, but there is no formal reporting and recording of these checks by way of a minute. Whilst this is not a requirement of the Council's current Financial Regulations, the version of Regulations being operated by the Council is very outdated in terms of the structure and content. Financial reporting and recording is a requirement of reg 2.2 of the current model Regulations and it follows that the Council should adopt the current NALC model, that reflects current legal requirements, during the course of this year.
- there is evidence in the January 2019 Minutes relating to the precept, but there is no evidence of the Council having set a budget. Councils are legally required to set a budget. I believe this was a passing oversight rather than a systemic weakness in the Council's governance arrangements as I have seen evidence of compliance in my previous years' audits
- not all of the information required to be displayed by the government's Transparency Code, Annex A is being displayed on the website. Note the Code is mandatory for councils with a gross annual income or expenditure not exceeding £25,000 as it is the *quid pro quo* for being able to claim exemption from external audit. I believe this was a passing oversight rather than a systemic weakness in the Council's governance arrangements as I have seen evidence of compliance in my previous years' audit

This report is based on the evidence made available to and seen by me and consequently, the report is limited to those matters set out above. Through examination of the Council's website, hard evidence and questioning, I tested all the aspects of the Council's internal controls that I am required to consider and I am satisfied that effective systems to manage, monitor and control the Council's business are in place. Accordingly, I have completed and signed off the Annual Internal Audit Report at page 3 of the AGAR as required.

John Marshall  
Internal Auditor to the Council

07505 139832

wjm\_marshall1@gmail.com

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The figures submitted in the Annual Return are:

	<b>Year ending 31 March 2018</b>	<b>Year ending 31 March 2019</b>
1. Balances brought forward	43,891	48,281
2. Annual precept	21,000	23,000
3. Total other receipts	3,858	2,478
4. Staff costs	4,192	4,373
5. Loan interest/capital repayments	Nil	Nil
6. Total other payments	16,276	18,378
7. Balances carried forward	48, 281	51,008
8. Total cash and investments	48, 281	51,008
9. Total fixed assets and long term assets	121,567	121,567
10. Total borrowings	Nil	Nil

The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2018), A Practitioners' Guide*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

[https://www.pkflittlejohn.com/sites/default/files/media/documents/governance\\_and\\_accountability\\_for\\_smaller\\_authorities\\_in\\_england\\_2018\\_sections\\_1-5\\_0.pdf](https://www.pkflittlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf)

# Annual Internal Audit Report 2018/19

## MILTON MARSOR 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.			No applicable
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. ( <i>"Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i> )	✓		
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

08/05/19 17/05/19

Name of person who carried out the internal audit

WILLIAM MARSHALL

Signature of person who carried out the internal audit

WILLIAM MARSHALL

Date

17/05/19

\*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).

NORTHANTS CALC LTD

## Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

MILTON MALSOR 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 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.	<input checked="" type="checkbox"/>			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.	<input checked="" type="checkbox"/>			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 authority to conduct its business or manage its finances.	<input checked="" type="checkbox"/>			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.	<input checked="" type="checkbox"/>			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 authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>			considered and documented the financial and other risks it faces and 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.	<input checked="" type="checkbox"/>			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.	<input checked="" type="checkbox"/>			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 authority and, where appropriate, have included them in the accounting statements.	<input checked="" type="checkbox"/>			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	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

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

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

14/05/2019

and recorded as minute reference:

Finance Section P. 51

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

Chairman



Clerk



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

www.miltonmalsorparishcouncil.org.uk

## Section 2 – Accounting Statements 2018/19 for

MILTON MALSOR PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	43891	48281	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	21000	23000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	3858	2478	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	4192	4373	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 authority's borrowings (if any).
6. (-) All other payments	16276	18378	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	48281	51008	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	48281	51008	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	121567	121567	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	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)	Yes	No	<p>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</p> <p>N.B. The figures in the accounting statements above do not include any Trust transactions.</p>

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

*Ben Atkinson*

Date

14/05/2019

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

14/05/2019

as recorded in minute reference:

*Finance Section P.51*

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

*John Atkinson*

<b>MILTON MALSOR PARISH COUNCIL</b>	<b>YEAR</b>	<b>YEAR</b>	
<b>ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2018</b>	<b>2017 / 2018</b>	<b>2016 / 2017</b>	
<b>EXPENDITURE</b>			
Insurance Premium	1159.92	1199.17	
Insurance to be reimbursed by KPC	845.34	0.00	
Grass Mowing	5145.00	5555.00	
Lighting - Fuel Costs	1733.28	1484.58	
Lighting - Maintenance	522.96	871.60	
Lighting - Repairs & New Lamps	38.47	1056.68	
Clerk's Salary	2988.84	2960.76	
Clerk's Expenses	455.29	572.60	
Clerk's PAYE	747.80	739.20	
N.A.L.C. Membership	343.86	342.94	
Audit Fees NCALC Internal & BDO External	407.00	362.00	
Section 137 - Donations & Grant Aid & Poppy Wreath, Website	290.00	330.00	
General Expenses / Admin	483.29	406.98	
Chairman / Councillors Expenses & Training	57.00	82.94	
Village Maintenance	1025.29	648.87	
Playing Field / Village Park	816.00	879.15	
Parish Council Newsletter & Website	238.40	369.80	
Village Environment / Dog bins	1170.00	1385.66	
Rail Freight Terminal - Roxhill & Rail Central	295.46	1363.40	
<b>Total Spend</b>	<b>18763.20</b>	<b>20611.33</b>	
VAT Recoverable	1704.70	2272.06	
<b>TOTAL</b>	<b>20467.90</b>	<b>22883.39</b>	
<b>INCOME</b>			
SNC Precept	21000.00	21000.00	
VAT Refund	2272.06	2884.31	
Bank Interest	13.27	16.44	
Burial Fees	75.00	80.00	
Grass Mowing - Contribution from NCC/MGWSP	586.04	586.04	
General Administration	911.34	0.00	
Section 137 / Donations / Bequests	0.00	0.00	
Other - Insurance refund £705.00, onation for RFT £1013.40	0.00	1718.40	
<b>Total Income</b>	<b>24857.71</b>	<b>26285.19</b>	
<b>Plus balances brought forward</b>	<b>43891.34</b>	<b>40489.54</b>	
	<b>68749.05</b>	<b>66774.73</b>	
<b>Less Total Payments</b>	<b>-20467.90</b>	<b>-22883.39</b>	
	<b>48281.15</b>	<b>43891.34</b>	
<b>BANK BALANCES</b>			
Current Account	200.00	200.00	
Business/Deposit Account	48081.06	44874.34	
	<b>48281.06</b>	<b>45074.34</b>	
Less unpresented cheques	0.00	-1182.00	
9p. Bank error ch. 2012	0.09	43892.34	
<b>Plus bank error from 2015/16 financial year</b>	<b>48281.15</b>	-1.00	
		<b>43891.34</b>	

## MILTON MALSOR PARISH COUNCIL

Items of expenditure above £100.00

2018 - 2019 Financial Year

Date expenditure was incurred	Purpose of expenditure	Amount of expenditure	VAT that cannot be recovered
28/5/18	PC annual Charity donation S137	200.00	N/A
11/9/18	PC Insurance Cover	1194.72	N/A
11/9/18	NCALC annual subs	343.78	N/A
9/10/18	Bark chippings for play area	515.00	N/A
8/1/19	Village Park maintenance work	1651.00	N/A
12/2/19	Annual invoice to empty dog waste bins	1170.00	N/A
12/3/19	Churchyard & War Memorial slab work	1130.00	N/A
			N/A
			N/A
			N / A

# MILTON MALSOR PARISH COUNCIL

[www.miltonmalsorparishcouncil.org.uk](http://www.miltonmalsorparishcouncil.org.uk)

Clerk – Mrs. Ann Addison

The Paddocks, Baker Street, Gayton, Northampton, NN7 3EZ

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## ACCOUNTS FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2019 VARIANCES

<u>Item</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>Variance</u>	<u>Explanation</u>
Balances brought forward				
Precept	21000	23000	9.5%	
Total other Receipts	3858	2478	35.75%	Interest up @ £70.57, Burials up @ £75.00 VAT down @ £1704.70. Bank error @ £117.00, £45 & £75 credited to the PC account by bank in error
Staff Costs	4192	4373	4.3%	
Loan	Nil	Nil		
All other Payments	16276	18378	12.9%	
Balances carried forward	48281	51008	5.6%	
Total Cash/Investments	48281	51008		
Total Fixed Assets	121567	121567		
Total Borrowing				

Signed:

Clerk & Responsible Financial Officer

Date: