

Schedules for submission to external auditor

Key contact details

Schedule A

Please complete this form and send it back to us with the Annual Return to ensure we have the correct details for your authority – please print to ensure we can read it clearly

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053
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	Clerk
Name	Mr Chris Hall
Address	Woodlands, Pear Tree Lane, Great Cheverell, Devizes, Wiltshire. SN10 5TW
Telephone no.	01380 816983
Email address	parishcouncil@greatcheverell.org

	Responsible Financial Officer (RFO) – if different to Clerk
Name	As above
Address	
Telephone no.	
Email address	

	Chair
Name	Mrs. Stephanie Davies
Address	Aston Cottage, 33, High Street, Great Cheverell, Devizes, Wiltshire. SN10 5TH
Telephone no.	01380 816110
Email address	stephaniedavies@astoncottage.com

Please complete all shaded boxes and send this form with your Annual Return to:
Mrs Jo Farr, Grant Thornton UK LLP, Hartwell House, 55-61 Victoria Street, Bristol, BS1 6FT
or email to Jo.farr@uk.gt.com

Schedules for submission to external auditor

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Key contact details (continued)

Schedule A

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053
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	Person carrying out the independent internal audit
Name	Auditing Solutions Ltd.
Address	Clackerbrook Farm, 46, The Common, Bromham, Chippenham, Wiltshire. SN15 2JJ
Telephone no.	01380 850588
Email address	contact@councilaudit.co.uk

If there are any subsequent changes to the above please send us an updated form or e-mail the new details to jofarr@uk.gt.com

Schedules for submission to external auditor

Bank reconciliation template

Schedule B

The model can be applied for reconciliations carried out at any time of the year. Please complete all green cells.

BANK RECONCILIATION		FINANCIAL YEAR ENDING 31 MARCH 2017	
Authority name and reference		CHEVERELL MAGNA PARISH COUNCIL WLT053	
Prepared by: Name	Mr. Chris Hall	Date:	28/04/2017
Role (Clerk/RFO etc)	Clerk / RFO		
Approved by: Name	Mrs. Stephanie Davies	Date:	8/5/2017
Role (RFO/Chair etc)	Chair		
Balance per bank statements as at 31 March 2017		£	TOTAL £
List balances on all bank accounts plus petty cash floats at 31 March 2017:			
Community Account 51336983		3,081.13	
Business Money Manager Account 51336991		19,892.07	22,973.20
Less: any un-presented cheques at 31 March 2017: (normally only current account. List date, cheque number & value. Use separate list if needed)			
13/3/2017, 100640 (Playsafety Ltd.)		282.00	282.00
Add any unbanked cash at 31 March 2017: (List date & amount received)			
		NIL	NIL
TOTAL - NET BANK BALANCES AS AT 31 MARCH 2017			22,691.20

<i>The net balances reconcile to the Cash Book for the year, as follows:</i>	
CASH BOOK (receipts and payments/income & expenditure schedules)	£
Opening Balance:	21,826.69
Add: Receipts in the year:	12,383.07
Less: Payments in the year:	11,518.56
CLOSING BALANCE PER CASH BOOK @ 31 MARCH 2017	22,691.20
Must equal total net bank balances above and Section 2, Box 8	

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 or email to Jo.farr@uk.gt.com



Schedule C1

Identifying which variances require explanation

Positive and negative variances must be explained

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053				
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	8,522	8,974	452	5.3%	No
Box 3 -Total other receipts	2,933	3,409	476	16.23%	Yes
Box 4 -Staff costs	5,131	4,155	-976	-19.02%	Yes
Box 5 -Loan interest/ capital repayments	Nil	Nil	Nil	Nil	No
Box 6 -All other payments	18,286	7,364	-10,922	-59.73%	Yes
Box 9 -Total fixed assets plus long-term investments and assets	397,904	400,982	3,078	0.77%	No
Box 10 – Total borrowings	Nil	Nil	Nil	Nil	No



Explanations of individual variances

One sheet to be prepared for each variance that requires explanation.

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053	
BOX NO	3 (Other Receipts)	£
(b) Figure in 2017 column		3,409
(a) Figure in 2016 column		2,933
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		476

Reasons (as many as are applicable)	Amount £
VAT for 2016/17 transactions was reclaimed in 2016/17, whereas previous practice was to reclaim in the following year, ie. there are two VAT reclaims in 2016/17	520
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	520
(f) Unexplained amount £ of total variance at (d - e)	44
Unexplained as % of 2016 figure ($f / a * 100$) (must be below 15%)	1.5%
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	Yes



Explanations of individual variances

One sheet to be prepared for each variance that requires explanation.

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053	
BOX NO	4 (Staff Costs)	£
(b) Figure in 2017 column		4,155
(a) Figure in 2016 column		5,131
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		-976

Reasons (as many as are applicable)	Amount £
The former Clerk (Mrs. A. Whittle) resigned on 31/8/2016, and the new Clerk (Mr. C. Hall) did not commence until 1/11/2016. 2 months x £401.08 (Mrs. Whittle's gross salary) was therefore unpaid.	812
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	812
(f) Unexplained amount £ of total variance at (d - e)	164
Unexplained as % of 2016 figure ($f / a * 100$) (must be below 15%)	3.2%
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	Yes



Explanations of individual variances

One sheet to be prepared for each variance that requires explanation.

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053	
BOX NO	6 (All other payments)	£
(b) Figure in 2017 column		7,364
(a) Figure in 2016 column		18,286
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		-10,922

Reasons (as many as are applicable)	Amount £
A new tractor mower was purchased on 19/11/2015 (from Lister Wilder). Cost £11,500 + £2,300 (recoverable) VAT = £13,800	11,500
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	11,500
(f) Unexplained amount £ of total variance at (d - e)	578
Unexplained as % of 2016 figure ($f / a * 100$) (must be below 15%)	3.16%
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	Yes

Schedule E

Analysis of earmarked reserves

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053
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Purpose and nature of reserve	Held as short-term or long-term investment?*	Amount £
Community reserve, from fund-raising activities related to the 2011 Parish Plan. To be spent on community activities.	Short-term	530.55
Victoria Park mower. Awaiting resolution of land issues with Ministry of Justice.	Short-term	2,000.00
Capital reserve, from sale of land for Witchcombe Close housing development. To be spent on long-term benefits to the Parish.	Short-term	16,128.33
(a) TOTAL		18,658.88

Note: * short-term investments would be included in Box 8 of the Accounting Statements in the Annual return; long-term investments would be in Box 9.

Please provide an explanation for any high level of general reserves if over 3 times (or less than 0.1) of the precept/rates and levies.

	£
(b) Precept/rates and levies (Accounting Statements Box 2)	8,974
(c) Balance carried forward (Accounting Statements Box 7)	22,691
(d) Amount of balances less total earmarked reserves (c – a)	4,032.12
Ratio of balances less earmarked reserves to Precept/rates and levies (d / b)	0.45
<p>Reason if over 3 times or less than 0.1</p> <p>All funds are now kept in easy-access Bank Accounts due to poor interest returns and to enable identified projects to be funded without delay.</p>	

Schedule F1

Notification of the date for the commencement of public rights

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053
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I confirm that the dates set for the period of exercise of public rights are as follows:

	Date
Announcement	See attached Notice
Commencement	
Ending on	

Signed by Clerk/RFO	
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OR – send us a copy of your completed ‘Notice’ (Schedule F2 enclosed as public rights pack)

Schedule G1

Explanation of 'No' on the Annual Governance Statement

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053
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Assertion 1-9	Explanation for 'No' response and action to address weaknesses
1	<p>The Council accepts that effective financial management was not in place for the entire 2016/17 financial year. Understandably, much trust is placed in the Clerk / RFO, with a 'light touch' independent review periodically undertaken by Councillors recognising that the Council is a Small Authority.</p> <p>The former Clerk / RFO (Mrs A. Whittle) resigned suddenly on 31 August 2016, without giving required notice. Following her resignation, this Council immediately bought a postal redirect, recovered as many prime records as possible, and commissioned an independent review of the Council's finances which, while identifying many control weaknesses and examples of poor practice, gave an assurance on the integrity of the Council's bank balances. This work has been shared with Grant Thornton.</p> <p>A new Clerk / RFO (Mr C. Hall) was appointed on 1 November 2016, following Public advertisement and an interview, and effective control procedures have now been put in place, with detailed monthly Finance reports to Council, and quarterly inspection of the Accounts by an independent (ie. not cheque signing) Councillor in accordance with Financial Regulation 2.2.</p> <p>Therefore, the Council does offer an assurance that effective financial management, together with an adequate system of internal control, was in place from late in 2016 although this was not the case throughout the entire 2016/17 Financial Year.</p>
2	

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4	<p>Each meeting of the Council starts with an Open Forum, clearly stated on the published Agenda, where Electors can ask any question they wish on any aspect of the Council's functions, including financial.</p> <p>Due to the circumstances detailed above, and the extended sick leave of the former Clerk / RFO prior to her resignation, the Council accepts that the exercise of Elector's Rights for the 2015/16 Accounts (which are yet to be signed off by Grant Thornton) were not properly complied with. This omission will be rectified with regard to the 2016/17 Accounts.</p>
5	<p>The Council has always carried reasonable external insurance cover to offset risk. This was directly matched to the Risk Register at the meeting on 13 March 2017, which will be reviewed quarterly. The Risk Register has been published on the Council's website.</p>
6	<p>Internal Audit arrangements for 2015/16 and earlier years were made by the former Clerk, which have been found to be inadequate and lack independence. An independent Internal Auditor, Auditing Solutions Ltd. of Bromham, Wiltshire, was appointed by the Council on 5 December 2016 following a tendering exercise, and their work is included as a part of the 2016/17 Accounts process.</p>
7	<p>As stated above, the Council has not received an Internal Audit report for some years. The interim 2015/16 External Audit report was received on 31 March 2017 and was fully considered, and accepted, by the Council at its meeting on 3 April 2017. Procedures are now in place to properly review audit reports for 2016/17 and future years.</p>

‘No’ or ‘Not covered’ on the Annual Internal Audit Report

Authority name and reference	CHEVERELL MAGNA PARISH COUNCIL WLT053
Person carrying out the internal audit	Auditing Solutions Ltd.

Internal Audit Objective Conclusion (A to K)	Explanation for ‘No’ and what the Authority is doing to address the weakness - or explanation for why ‘Not covered’*
A	<p><i>Whilst the Council highlighted significant weaknesses in the accounting processes under the previous Clerk, there is evidence in the minutes that they have taken their responsibility to resolve these issues very seriously. A new Clerk was appointed in November 2016 and, following that appointment, several new controls and processes were put into place.</i></p> <ul style="list-style-type: none"> The Council is grateful for this acknowledgement from the Internal Auditors of their hard work in turning a bad situation around in such a short time.
B	<p><i>We are pleased to record that no significant issues exist in this area, although we consider that a further enhancement to controls over the authorisation and release of money would be achieved were a suitably designed rubber certification stamp acquired with provision for the clerk to confirm receipt of goods and/or services, for the two cheque signing members to initial the invoice confirming their review and appropriateness of the payment for processing and detail of the payment date and cheque number.</i></p> <ul style="list-style-type: none"> Action will be taken to ensure that all payments are properly supported by documentation during 2017/18 and beyond. While the authorising Councillors will henceforth also initial all invoices, a ‘rubber stamp’ is not considered necessary.
I	<p><i>We are pleased to note that, at the December 2016 meeting, a Councillor was nominated to inspect the cashbook and bank reconciliations on a regular basis in accordance with section 2.2 of the Council’s Financial Regulations. This was one of the new controls and was therefore not in place from April 2016 to December 2016.</i></p> <ul style="list-style-type: none"> Again, the Council is grateful for this acknowledgement from the Internal Auditors of the control improvements that have now been put in place.

* Note: if the relevant objective is **applicable but has not been covered**, the person carrying out the internal audit must provide the Authority and the external auditor with details of:

- o why the objective has not been covered
- o when the most recent internal audit work was done in this area and
- o when it is next planned