

## LEDBURY TOWN 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 Objectives	Assessment	Comments
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.	✓	
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.		✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.		✓

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

12.6.19

Name of person who carried out the internal audit

IAN A SELKIRK FCA

Signature of person who carried out the internal audit



Date 12.6.19

\*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).







## Section 2 – Accounting Statements 2018/19 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	341,750	274,742	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	329,883	375,771	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	52,665	45,909	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	136,090	111,731	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	313,466	354,696	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	274,742	229,995	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	253,970	243,333	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	752,031	752,031	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

04/07/19

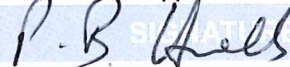
I confirm that these Accounting Statements were approved by this authority on this date:

04/07/19

as recorded in minute reference:

CAO

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



## Section 2 comments

- Item 1: Balances bought forward -£67,008  
Difference mainly due to expenditure on professional services regarding the Judicial Review.
- Item 2: Annual Precept: +£45,888  
Increase in precept due to previous precept budgets not including increasing precept in line with inflation and to enable the Council to start rebuilding its Reserves e.g. its Listed Building Reserve.
- Item 3: Receipts difference: -£6,756 difference due to grant monies received.  
Ledbury Town Council did not apply for nor receive Grant Funding during 2018/19
- Item 4: Staff Costs: -£24,359 due to the reduced number of permanent staff members throughout the year.
- Item 6: Total other payments:  
Professional Services Payment of costs relating to Judicial Review;  
Increase of £12,500 - purchase of a replacement youth shelter at Ledbury Recreation Ground;  
Increase of £5,170 Christmas Lights;  
Increase of £2,000 hanging basket supply;  
New expenditure on Health & Safety measures for the annual October Street Fair; £3,419  
Increased grant contribution to CAB of £5,000;  
Increase of £8,000 on external audit;  
New expenditure of £2,000 on Health and Safety consultant;  
Election expenses increase of £3,993;  
ICT increase in expenditure of £6,860 due to design of new Ledbury Town Council website and purchase of replacement PCs.  
New, one-off expenditure of payment of Costs following outcome of Judicial Review at £96,262

(The difference in some of the balances is due to underspends in other areas of the Council's activity.)

## Comments in respect of Section 1

The response in point 4 is due to the Council commissioning further investigations being carried out by the Council's Internal Auditor in respect of earmarked reserves.