

Winwick Parish Council

NOTICE OF CONCLUSION OF AUDIT

Annual Governance & Accountability Return for the year ended 31 March 2018

**Sections 20(2) and 25 of the Local Audit and Accountability Act 2014
Accounts and Audit Regulations 2015 (SI 2015/234)**

1. The audit of accounts for Winwick Parish Council for the year ended 31 March 2018 has been completed and the accounts have been published.

2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of Winwick Parish Council on application to:

Julian Joinson

Clerk to Winwick Parish Council

C/o Winwick Leisure Centre

Myddleton Lane

Winwick

Warrington

WA2 8LQ

Between the hours of 10am and 5pm weekdays

(excluding Bank Holidays)

3. Copies will be provided to any person on payment of 50p for each copy of the Annual Governance & Accountability Return.

Announcement made by: Julian Joinson

Date of announcement: 10 April 2019

STATEMENT OF ACCOUNTS 2017/18 NARRATIVE STATEMENT (NON-STATUTORY)

Introduction to Winwick Parish Council

Winwick Parish Council lies in the northern quadrant of the Borough of Warrington and is centred around the village of Winwick, but includes the hamlet of Hermitage Green and land to the south of the M62 comprising green space at Peel Hall, Radley Common and Houghton Green, as well as the industrial site at Winwick Quay and the northern portion of the estate which includes part of Grasmere Avenue and Greenwood Crescent. The Council owns and operates Winwick Community and Leisure Centre and the associated playing fields off Myddleton Lane. It also owns the land at John Parr Meadow and Radley Wood as well as Swan Green and has responsibility for maintaining Radley Common.

The Council is a first tier local government body, comprising 10 elected councillors and a small number of paid employees, mostly part-time staff. Its role is to act as a democratically elected and accountable organisation for taking community action and a forum for public engagement within the secular Parish of Winwick. Its priorities for 2016-20 include stabilising the finances of the Leisure Centre, improving traffic management and providing a Parish-wide litter picking service.

Financial Performance

Overall the Council strives to achieve a balanced budget. The Council had a turnover in 2017/18 of over £280k of which £114k was raised from local taxation generated by the Parish Precept and some £166k was from receipts generated by the operation of the Leisure Centre. Expenditure for the year was £274k, which provided a small surplus of £6k, not including balances from the previous year. The principal issue for the Council is that the Leisure Centre is not self-sustaining and requires a medium-sized investment from the Parish Precept in order to continue to operate. 2017/18 also saw an unforeseen problem in relation to an organised fireworks event, leading to unexpected losses during the period of around £3.4k, which further impacted on the Leisure Centre's overall profitability.

A priority for the Council is to bring the operation of the Centre back into profit, to free up Parish Precept monies to spend on other local services.

Capital Assets

Councils fixed assets which mostly relate to the ownership of land and the Leisure Centre building are in the region of £1M.

Cashflow

The Parish had sufficient cash to meet its day to day needs in 2017/18 with net current assets of £9,195. That was an improvement on the position in the previous year, 2016/17, which recorded a surplus of £3,055.

Approval of Accounts

2017/18 was a challenging year for the Council in producing its draft statement of accounts, due to the departure of a long-serving Responsible Finance Officer (RFO) on 10 February 2018 and the appointment of a replacement. The Council has previously had no in-house accounting package, since it relies on the software used by the individual employees undertaking the RFO role. Accordingly, it proved difficult to integrate figures from the accounts prior to and after that changeover date, which occurred at a critical time in the timetable for the closure of accounts. In addition, a priority for the incoming RFO was to oversee the introduction of the Xero financial system within the Leisure Centre, to provide improved financial management and accounting. Other financial procedures within the Leisure Centre were also strengthened at this time.

Those factors led to the formal draft statement of accounts being finalised in October 2018, after the normal statutory period for the public inspection of the accounts and other documents. Subsequently, the unaudited accounts were submitted for external audit. However, the date for publication of the final audited accounts of 30 September 2018 could not be met. A public notice to this effect was published on 25 October 2018. The final audited accounts were submitted to Council on 26 March 2019 and are published herewith. The issues identified in the External Auditors Report and Certificate have been reported to the Council and will be addressed.

Future Pressures

The Leisure Centre performance remains a high priority for the Council. Improved financial monitoring systems are now in place and its true operating costs, including staffing, can now be identified separately from the wider Parish Council finances. The market conditions in the pub/leisure sector remain somewhat challenging. It is anticipated that the Centre will make a loss of around £30k in 2018/19, which will be underwritten by the Parish Council. The Management Committee and Management Team are working hard to ensure that the position is stabilised and improved for future years, to ensure that the Centre can continue to serve the community in a sustainable way.

Conclusion

Notwithstanding some difficult circumstances in 2017/18, the Parish Council's financial performance can demonstrate economy, efficiency and effectiveness in the use of its resources. The Council will be in a position to operate a balanced budget in the medium term.

Julian Joinson
Clerk to Winwick Parish Council
10 April 2019

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

WINWICK 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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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 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. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

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

MINUTE WPC.86
dated 23/10/2018

Chairman 
Clerk 

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

<http://winwickparishcouncil.org.uk>

Section 2 – Accounting Statements 2017/18 for

WINWICK PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	-17,350	3,055	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	111,850	114,110	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	180,564	166,266	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	103,908	98,151	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	9,695	9,695	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	158,405	166,390	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	3,055	9,195	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	16,795	18,775	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	953,122	956,348	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	96,587	88,125	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 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 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer



Date

23/10/2018

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

23/10/2018

and recorded as minute reference:

WPC.87

Signed by Chairman of the meeting where approval of the Accounting Statements is given



Section 3 – External Auditor Report and Certificate 2017/18

In respect of

WINWICK PARISH COUNCIL (CH0219)

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2017/18

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The smaller authority has failed to provide a year end bank reconciliation and an adequate explanation for the difference between Section 2, Boxes 7 and 8. A balance sheet has been provided which shows there is a 'Historic Adjustments Account' within liabilities of £30,478 which has been used to cover conversion figures for the opening balance on bank accounts and also a 'Cash Carried Forwards from 31/12' within assets of £28,341 which includes cash balances as at 31/12 and is also a suspense account for payments received against invoices issued previously. Based on this information, we have no confidence in the figures within the AGAR.

The smaller authority failed to approve the AGAR in time to publish it before 2 July 2018, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £102,212 and £178,164 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.
- Section 2, Box 10 is inconsistent with the balance published by the Public Works Loan Board. The figure in Box 10 should read £91,392.

The smaller authority failed to publish the final signed AGAR by 30 September 2018, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1. This is as a result of the AGAR and additional documentation not being submitted for review until 4 January 2019 and the appointed auditor therefore not being able to then complete the review by this date.

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

The smaller authority has not provided:

- an adequate explanation as to why the internal auditor has responded 'No' to internal control objectives A and J.
- year end bank statements to support the bank reconciliation to Section 2, Box 8. These were requested as part of our intermediate review procedures.

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2018/19 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2018/19 and ensure that it makes proper provision for the exercise of public rights during 2019/20.

3 External auditor certificate 2017/18

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

 Date

19/02/2019

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)