

Ettington Parish Council

Date: 10 June 2020

Item 11 – Appendix 4	Audit 1 April 2018 to 31 March 2019
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1 Introduction

This report relates to the financial year 2018-19 and comprises a number of sections as follows:

2 Key Dates

31 August 2020: Approval and publication of AGAR

On or before 1 September (prior to Covid 19 the period needed to include the first 10 working days of July).Public Inspection Period

30 November 2020 (prior to Covid 19 this was 30 September 2020).

Publication Date for final, audited accounts

3 Internal Audit Report

The internal audit has been completed by Mr Trevor Gill in line with WALC guidelines. Mr Gill's report is attached (appendix a). A number of recommendations are made and require consideration as to whether action is required:

Section	Comment	Clerk's Response/ Recommendation
2 - Due Process:	Recommendation to develop an Emergency Plan.	To include on Councillor Portfolio (which is scheduled for review)
3 – Risk Management Should consider what measures and processes need to be put in place in the unlikely event that the clerk/RFO is unable for whatever reason to undertake her duties.	Clerk to include on Risk Register including how risk can be mitigated and present at a future meeting.
5 – Payroll Clerk:	Prudent for a Councillor to familiarise themselves with processes and submissions as the Clerk is both processor and beneficiary.	To include on Councillor Portfolio (which is scheduled for review)
8 – Bank Reconciliation	It is recommended that at least quarterly the councillor responsible for Finance confirms that the bank balances	As Councillor Houghton currently checks bank reconciliations on a quarterly basis that he

	report on the Financial Statement reconciles with the bank account	formally report this (the Clerk to add section to Finance Report).
15 – Parish Website	<p>It is noted that my comments re the appendices which are attached to the agendas has not been implemented and it is suggested that a part of the work on a new website this is considered</p> <p>It would be good practice to upload all documents to the website in pdf format.</p>	To adopt both recommendation.

4 AGAR

The AGAR is at appendix b

- a. **Internal Audit Report:** This has been completed and signed by the Internal Auditor.
- b. **Section 1- Annual Governance Statement:** The Council must complete and approve this section, during the meeting **before** completing Section 2.
- c. **Section 2 – Accounting Statement.** The Council are asked to approve Section 2.

5 Explanation of Variances

The Explanation of Variances is at appendix c and is for information and will be considered by the External Auditors.

Internal Audit

Ettington Parish Council

Year Ended 31 March 2020

Internal Auditor: Trevor B Gill

This audit report is based upon the Association of Local Councils recommended checklist, introduced in 2016, with the Practitioners' Guide to Governance and Accountability in Local Authorities

CONFIDENTIAL

Internal Audit Summary Checklist Report for Ettington Parish Council

Year Ended 31 March 2020

Basis of the Report

This internal audit report is based upon the National Association of Local Councils (NALC) recommended check-list produced in 2016, in conjunction with the Practitioners' Guide to Governance and Accountability.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls. Where any such controls are found to be deficient, the internal audit will help lead to improvements in these processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit and testing outlined in paragraph 1 above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

NB: It would be incorrect to view the internal audit as the detailed inspection of all records and transactions of the Council in order to detect fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be the day-to-day function of the staff and councillors and not left for internal audit. (Source: Governance and Accountability for Local Councils - A Practitioners Guide - 2018)

Internal Audit for Ettington Parish Council

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Internal Audit for Ettington Parish Council

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Introduction

The audit was undertaken during May 2020. Due to Government restrictions in respect of social distancing, travel restrictions and other coronavirus guidelines, the audit has been conducted by email and telephone conversations. Where it was not possible or practical to review documents, invoices, receipts or registers this report provides details and these can be reviewed, if necessary, once the current government restrictions are relaxed.

For detailed information regarding each section of the audit please refer to Appendix 1.

Section 1 – Book Keeping

Ettington Parish Council uses the Rialtis Accounting package and this provides the necessary accounting functionality and VAT reclaim procedures.

It is used to enable the accurate and timely submission of the VAT returns and enables regular reporting to the Parish Council including payments and receipts schedules and expenditure against budgets. The clerk / RFO has an excellent working knowledge of the functionality, controls and reporting available.

- A transaction level report has been produced by budget category and this has been reviewed in detail and no anomalies were found
- A random sample of the transactions were cross referenced to the minutes and no concerns were raised
- It was not practical to physically review invoices or receipts due to the coronavirus restrictions
- The VAT returns have been submitted in an accurate timely manner.
- There was no Section 137 expenditure recorded for the financial year ended 31 March 2020.

Section 2 - Due Process

Standing Orders

A review of the standing orders is undertaken on an annual basis and a review of these documents raised no issues or concerns.

It is noted that there is no formally adopted Emergency Plan and is recommended that, as this is an important document in the unlikely event that there is an emergency, the Council originate and adopt a formal plan as a matter of priority.

Meetings

It was noted that the Annual Meeting held on 16 May 2019 was an amalgamation of annual and monthly functions. It is suggested that in future these functions are separated into 2 separate meetings. It should be noted that in the current climate there is no requirement to hold annual meetings in 2020.

Agendas

Internal Audit for Ettington Parish Council

A review noted that all agendas were properly signed and dated

Section 3 - Risk Management

A review of the risk assessment shows that the risks are well understood and the controls identified are as would be expected.

However, the Parish Council should consider what measures and processes need to be put in place in the unlikely that the clerk / RFO is unable for whatever reason to undertake her duties. This is especially relevant at the present time when the country is in the grip of the coronavirus pandemic.

Section 4 – Budget and Precept

It was noted that the process for setting the budget is robust and that regular monitoring of the finances against the agreed budget takes place.

Section 5 – Payroll Clerk

A review of the process and procedures adopted shows that the process is well understood by the RFO and all returns are submitted on time and in an accurate manner. It is noted that the salary and pension payments are properly noted in the minutes

However, it might be prudent for a councillor to familiarise themselves with the processes and submissions as the clerk / RFO is the processor and also the beneficiary.

Section 6 – Payroll Other

A review of the items under this section revealed no issues.

Section 7 – Asset Control

It was noted that the assets register is properly maintained and the insurance cover is reviewed on an annual basis to coincide with the renewal of the policy.

Section 8 – Bank Reconciliation

The finances spreadsheet contains a reconciliation process which enables the bank account to be reconciled on a regular basis. Bank balances are reported in the Financial Statements submitted to the monthly meetings of the Parish Council. It is recommended that at least quarterly the councillor responsible for Finance confirms that the bank balances reported on the Financial Statement reconciles with the bank account.

Section 9 - Year End Procedures

The year end procedures and reporting were reviewed and no issues were found. It is worthy of note that the software package used provides reporting to support the year end requirements thus reducing the risk of errors being made.

The bank reconciliations and AGAR reporting were reviewed and no issues were found.

Internal Audit for Ettington Parish Council

Section 10 – Miscellaneous

A review of the miscellaneous item found no issues or concerns.

Section 11 – Charities

Not applicable

Section 12 – Burial Authorities

Not applicable

Section 13 – Income Control

All income is properly controlled and recorded in the accounts within very acceptable timescales.

Section 14 – Petty Cash

This is not applicable and the necessary letter has been provided for the AGAR reporting requirements

Section 15 - Parish Website

It is noted that work has already started on the provision of a new Parish Council website. It is noted that my comments re the appendices which are attached to the agendas has not been implemented and it is suggested that a part of the work on a new website this is considered.

It would be good practice to upload all documents to the website in pdf format. This will considerably reduce the risk of word documents being downloaded and amended. In addition, software is available that will prevent pdf files being amended but will still allow these documents to be read and printed.

Conclusion

Thank you for inviting me to undertake the Internal Audit for Ettington Parish Council.

Whilst reviewing the processes, documentation and finances it is very apparent that the affairs of the Parish Council are in very safe hands. Sarah has a very high standard of documentation and fully understands the governance and financial requirements associated with Parish Councils. She is to be commended for the way in which she supports the needs of the Parish Council.

As in previous years the section relating to petty cash in the AGAR Return Part 3 item F has been duly marked as not covered. This does not imply anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Ettington Parish Council it means that there is no petty cash. A letter to that effect has been added by the internal auditor.

This concludes the audit.



Trevor B Gill
27 May 2020

Appendix 1 - Detailed Audit Workplan

INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2020

Name of Council	Ettington Parish Council	Name of Clerk	Sarah Furniss
No of Councillors	9	Name of RFO (if different)	As above
Quorum	3	Precept Amount	£35,000
Electorate numbers		Gross Budgeted Income	£35,000

1	Book Keeping						
Ref	Activity	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
1.1	Ledger maintained and up to date?			Yes		Yes	EPC uses Rialtis Accounting package and this provides the necessary accounting functionality and VAT reclaim procedures
1.2	Arithmetically correct			Yes		Yes	
1.3	Evidence of Internal Control			Yes		Yes	
1.4	VAT evidence, recording and recalculated			Yes		Yes	
1.5	Payments ledger supported by invoices, authorised and minuted			Yes		Yes	
1.6	£137 separately recorded and within limits				N/A	Yes	There was no expenditure under Section 137 in the financial year
1.7	£137 expenditure of direct benefit to electorate				N/A	Yes	There was no expenditure under Section 137 in the financial year

2	Due Process						
2.10	Standing Orders & Policies With Last Review Date						
Ref	Document Title	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
2.105	EPC - Code of Conduct	15 May 2019	EPC Code of Conduct	Yes		Yes	
2.108	EPC - Councillor Expenses	15 May 2019	EPC Councillor Expenses	Yes		Yes	
2.109	EPC - Councillor Induction Guide	10 April 2019	EPC Councillors Induction Guide	Yes		Yes	
2.111	EPC - Document Retention	15 May 2019	EPC Document Retention	Yes		Yes	
2.115	EPC - Freedom of Information Publication Scheme	15 May 2019	EPC Publication Scheme.pdf	Yes		Yes	
2.118	EPC - GDPR Policy and Procedure	15 May 2019	EPC GDPR Policy and Procedure.pdf	Yes		Yes	
2.119	EPC - Gifts and Hospitality Policy	14 March 2018	EPC Gifts and Hospitality Policy	Yes		Yes	
2.121	EPC - Grants Policy	15 May 2019	EPC Small Grants Scheme.pdf	Yes		Yes	
2.122	EPC - Guidance On Code of Conduct	14 March 2018	EPC Guidance on Code of Conduct.pdf	Yes		Yes	
2.125	EPC - Non Financial Standing Orders	15 May 2019	EPC Standing Orders.pdf	Yes		Yes	
2.127	EPC - Privacy Notice - Employees & Councillors	15 May 2019	EPC Privacy Notice 1.pdf	Yes		Yes	
2.128	EPC - Privacy Notice - General	15 May 2019	EPC Privacy Notice 2.pdf	Yes		Yes	
2.131	EPC - Social Media Policy	15 May 2019	EPC Social Media Policy	Yes		Yes	
2.131	EPC - Use of Resources	15 May 2019	EPC Use of Resources.pdf	Yes		Yes	
2.132	EPC - Dealing With The Press Media & Filming	15 May 2019	EPC Dealing with the Press and Media.pdf	Yes		Yes	
2.2	Financial regulations adopted						
Ref	Document Title	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
2.201	EPC - Financial Regulations	15 May 2019	EPC Financial Regulations.pdf	Yes		Yes	
2.3	Financial Regulations properly tailored to council						
Ref	Activity	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
2.301	RFO Appointed			Yes		Yes	
2.302	List of member interests held			Yes		Yes	Covered by annual submission to Stratford on Avon District Council
2.4	Agendas signed, informative and displayed with a clear 3 days notice						
Ref	Document Title	Meeting Date	Hyperlink	Reviewed		Complete	Comments / recommendations
2.401	EPC Monthly Meeting Agenda	10 April 2019	20190410 Ettington PC Agenda.pdf	Yes		Yes	
2.402	EPC Annual Meeting Agenda	15 May 2019	20190515 Ettington PC Annual Agenda.pdf	Yes		Yes	

2.403	EPC Monthly Meeting Agenda	13 June 2019	20190613 Ettington PC Agenda.pdf	Yes	Yes
2.404	EPC Monthly Meeting Agenda	10 July 2019	20190710 Ettington PC Agenda.pdf	Yes	Yes
2.405	EPC Monthly Meeting Agenda	11 September 2019	20190911 Ettington PC Agendas.pdf	Yes	Yes
2.406	EPC Monthly Meeting Agenda	09 October 2019	20191009 Ettington PC Agendas.pdf	Yes	Yes
2.407	EPC Monthly Meeting Agenda	13 November 2019	20191113 Ettington PC Agenda.pdf	Yes	Yes
2.408	EPC Monthly Meeting Agenda	11 December 2019	20191211 Ettington PC Agenda.pdf	Yes	Yes
2.409	EPC Monthly Meeting Agenda	22 January 2020	20200122 Ettington PC Agenda.pdf	Yes	Yes
2.410	EPC Monthly Meeting Agenda	12 February 2020	20200212 Ettington PC Agenda.pdf	Yes	Yes
2.411	EPC Monthly Meeting Agenda	11 March 2020	20200311 Ettington PC Agenda.pdf	Yes	Yes

2.5	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	2.501	Purchase orders raised for expenditure			Yes	Yes	
	2.502	Purchasing authority defined in Financial Standing Orders			Yes	Yes	
	2.503	Legal powers identified in minutes and/or cash book			Yes	Yes	
	2.504	Committee terms of reference exist and have been reviewed			Yes	Yes	

3 Risk Management

3.1	Ref	Document Title	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	3.101	EPC - Emergency Plan					It is recommended that an Emergency Plan is implemented

3.2	Ref	Document Title	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	3.201	EPC - Internal Audit Report	31 May 2019	20190331 EPC Internal Audit Report.pdf	Yes	Yes	
	3.202	Were recommendations from the previous Internal Audit Report implemented	31 May 2019		Yes	Yes	Previous recommendations formally discussed by the Parish Council and implemented where they considered it appropriate.

3.3	Ref	Document Title	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	3.301	EPC - Financial Risk Assessment	15 May 2019	EPC Risk Assessment.pdf	Yes	Yes	

3.5	Ref	Document Title	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	3.401	EPC - Insurance Policy	20 April 2020	EPC Insurance Policy.pdf	Yes	Yes	

Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
3.411	Evidence of insurance review	11 March 2020		Yes	Yes	
3.421	Evidence of Public and employee liability insurance	20 April 2020		Yes	Yes	Contained within Policy Schedule

3.6	Ref	Document Title	Meeting Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	3.601	EPC Monthly Meeting Minutes	10 April 2019	20190410 Ettington PC Minutes.pdf	Yes	Yes	
	3.602	EPC Annual Meeting Minutes	15 May 2019	20190515 Ettington PC Annual Minutes.pdf	Yes	Yes	
	3.603	EPC Monthly Meeting Minutes	13 June 2019	20190613 Ettington PC Minutes.pdf	Yes	Yes	
	3.604	EPC Monthly Meeting Minutes	10 July 2019	20190710 Ettington PC Minutes.pdf	Yes	Yes	
	3.605	EPC Monthly Meeting Minutes	11 September 2019	20190911 Ettington PC Minutes.pdf	Yes	Yes	
	3.606	EPC Monthly Meeting Minutes	09 October 2019	20191009 Ettington PC Minutes.pdf	Yes	Yes	
	3.607	EPC Monthly Meeting Minutes	13 November 2019	20191113 Ettington PC Minutes.pdf	Yes	Yes	
	3.608	EPC Monthly Meeting Minutes	11 December 2019	20191211 Ettington PC Minutes.pdf	Yes	Yes	
	3.609	EPC Monthly Meeting Minutes	22 January 2020	20200122 Ettington PC Minutes.pdf	Yes	Yes	
	3.610	EPC Monthly Meeting Minutes	12 February 2020	20200212 Ettington PC Minutes.pdf	Yes	Yes	
	3.611	EPC Monthly Meeting Minutes	11 March 2020	20200311 Ettington PC Minutes.pdf	Yes	Yes	

3.7	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	3.701	Regular reporting and minuting of bank balances			Yes	Yes	

3.702	S137 expenditure minuted			Yes		Yes	

4	Budget and Precept						
Ref	Activity	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
4.1	Annual budget to support the precept	09 January 2019		Yes		Yes	
4.2	Has budget been discussed and adopted by the Council	09 January 2019		Yes		Yes	
4.3	Any reserves earmarked			Yes		Yes	
4.4	Any unexplained variances against budget			Yes		Yes	There were no unexplained variances
4.5	Precept demand correctly minuted	09 January 2019		Yes		Yes	

5	Payroll Clerk						
Ref	Activity	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
5.01	Contract of employment			Yes		Yes	
5.02	Tax code issued			Yes		Yes	
5.03	PAYE & NI Evidence			Yes		Yes	
5.04	Software package for salary or external			Yes		Yes	
5.05	Who calculates the monthly pay and process for review			Yes		Yes	
5.06	P60 Issued			Yes		Yes	
5.07	Payslips issued			Yes		Yes	
5.08	Pension payments made			Yes		Yes	
5.09	Monthly pension statements sent to provider			Yes		Yes	
5.10	Annual Pension statement sent to pension provider			Yes		Yes	
5.11	Has the council approved the salary to be paid			Yes		Yes	
5.12	Other payments reasonable and approved by the Council			Yes		Yes	

6	Payroll Other							
6.1	Ref	Activity	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
	6.101	Contract of employment			Yes		Yes	
	6.111	Tax code issued			Yes		Yes	
	6.121	PAYE & NI Evidence			Yes		Yes	
	6.131	Software package for salary or external			Yes		Yes	
	6.141	Who calculates the monthly pay and process for review			Yes		Yes	
	6.151	Has the council approved the salary to be paid			Yes		Yes	
	6.161	Other payments reasonable and approved by the Council			Yes		Yes	
	6.171	Are the appropriate pensions provisions in place			Yes		Yes	
	6.181	Evidence of required submissions seen			Yes		Yes	
	6.191	Requirements re disputes in place			Yes		Yes	

	Payroll / Staff Standing Orders & Procedures							
6.2	Ref	Document Title	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
	6.201	EPC - Appraisal Policy	15/05/2019	EPC Appraisal Policy.pdf	Yes		Yes	
	6.211	EPC - Contract of Employment			Yes		Yes	
	6.221	EPC - Greivance Policy				N/A	Yes	
	6.231	EPC - Job Description			Yes		Yes	
	6.241	EPC - Staff Handbook	27 July 2016	EPC Staff Handbook.pdf	Yes		Yes	
	6.251	EPC - Staff Disciplinary Procedure	15/05/2019	EPC Staff Disciplinary Procedure.pdf	Yes		Yes	

7	Asset Control							
7.1	Ref	Activity	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
	7.101	Does the council keep a register of all material assets owned			Yes		Yes	
	Does the council keep a register of all material assets owned and is the register up to date & do the insured values reflect the value of the asset							
7.2	Ref	Document Title	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
	7.201	EPC - Fixed Assets Register		EPC Asset Register.xlsx	Yes		Yes	
	7.211	EPC - Insurance Policy		EPC Insurance Policy.pdf	Yes		Yes	

7.3	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	7.311	Value of individual assets included			Yes	Yes	
	7.321	Inspected for risk and up to date inspection records exist			Yes	Yes	

8	Bank reconciliation						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	8.1	Is there a bank reconciliation for each account			Yes	Yes	
	8.2	Evidence of quarterly reconciliation check as per Financial Regulations section 2.2			Yes	Yes	
	8.3	Is the bank mandate up to date			Yes	Yes	
	8.4	Bank statements and ledger reconcile			Yes	Yes	
	8.5	Any unexplained balancing entries in any reconciliation			Yes	Yes	

9	Year End Procedures						
	Year end accounts prepared on correct accounting process						
	Ref	Document Title	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	9.101	EPC - End of Year Accounts			Yes	Yes	
	9.111	EPC - Standing Orders & Direct Debits			Yes	Yes	
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	9.201	Bank statements and ledger reconciles			Yes	Yes	
	9.211	Underlying financial trail from records to presented accounts			Yes	Yes	
	9.221	Where appropriate, debtors and creditors properly recorded			Yes	Yes	
	9.231	Has the council agreed, signed and minuted sections 1 & 2 of the annual return			Yes	Yes	

10	Miscellaneous						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	10.1	Have points raised in the last audit been addressed			Yes	Yes	
	10.2	Has the council adopted a code of conduct			Yes	Yes	
	10.3	Is the general Power of Competence			Yes	Yes	
	10.4	Are all electronic files properly backed up			Yes	Yes	
	10.5	Do arrangements for public inspection of council's records exist			Yes	Yes	

11	Charities						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	11.1	Charities reported and accounted for separately			N/A	Yes	
	11.2	Have the charity accounts been separately audited			N/A	Yes	
	11.3	Have the charity accounts and Annual Return been filed within the legal time limits			N/A	Yes	

12	Burial Authorities						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	12.1	Payments received agrees with burials in the financial year			N/A	Yes	
	12.2	Fees levied as per the councils agreed scale of fees			N/A	Yes	
	12.3	Are the Statutory Records correct			N/A	Yes	
	12.4	Do all interment of ashes have a certificate of creation			N/A	Yes	
	12.5	Have the necessary permits, permissions and transfer of Exclusive Burial Right (EBR) been completed			N/A	Yes	

13	Income Control						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	13.1	Is income properly recorded and promptly banked			Yes	Yes	
	13.2	Does the receipt recorded agree to the Council Tax authorities notification			Yes	Yes	
	13.3	Are the security controls over cash adequate and effective			Yes	Yes	

14	Petty Cash						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable			N/A	Yes	

	14.2	Is petty cash expenditure reported to the Council				N/A	Yes	
	14.3	Is petty cash reimbursement carried out regularly				N/A	Yes	

15	Parish Council Website							
	Ref	Activity	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
	15.1	Standing orders up to date			Yes		Yes	
	15.2	Financial Information up to date			Yes		Yes	

16	Audit Documents Produced and Signed							
	Ref	Document Title	Last Review Date	Hyperlink	Reviewed		Complete	Comments / recommendations
	16.1	Internal Audit Cash Letter	27 May 2020		Yes		Yes	
	16.2	AGAR Part 1	27 May 2020		Yes		Yes	
	16.3	AGAR Part 2	27 May 2020		Yes		Yes	
	16.4	AGAR Part 3	27 May 2020		Yes		Yes	
	16.5	End of Year Accounts	27 May 2020		Yes		Yes	

Annual Governance and Accountability Return 2019/20 Part 2

To be completed only by Local Councils, Internal Drainage Boards and other smaller authorities* where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to certify themselves as exempt from a limited assurance review

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2019/20

1. Every smaller authority in England where the higher of gross income or gross expenditure was £25,000 or less **must**, following the end of each financial year, complete Part 2 of the Annual Governance and Accountability Return in accordance with *Proper Practices*, unless the authority:
 - a) does not meet the qualifying criteria for exemption; or
 - b) does not wish to certify itself as exempt
2. Smaller authorities where the higher of all gross annual income or gross annual expenditure **does not exceed** £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** the authority **completes**:
 - a) The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email or by post (not both) **no later than 30 June 2020**. Failure to do so will result in reminder letter(s) for which the Authority will be charged £40 +VAT for each letter; and
 - b) The **Annual Governance and Accountability Return (Part 2)** which is made up of:
 - **Annual Internal Audit Report (page 4)** to be completed by the authority's internal auditor.
 - **Section 1 – Annual Governance Statement (page 5)** to be completed and approved by the authority.
 - **Section 2 – Accounting Statements (page 6)** to be completed and approved by the authority.

NOTE: Authorities certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.
3. The authority **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved and published on a website **before 1 July 2020**.

Publication Requirements

Smaller authorities **must** publish various documents on a public website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:

- **Certificate of Exemption**, page 3
- **Annual Internal Audit Report 2019/20**, page 4
- **Section 1 – Annual Governance Statement 2019/20**, page 5
- **Section 2 – Accounting Statements 2019/20**, page 6
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Limited Assurance Review

Providing the authority certifies itself as exempt, and completes and publishes the Annual Governance and Accountability Return, there is **no** requirement for the authority to have a limited assurance review.

Any smaller authority may, however, request a limited assurance review. In these circumstances the authority should **not certify itself as exempt, and not complete the** Certificate of Exemption, but complete Part 3 of the Annual Governance and Accountability Return 2019/20 and return it to the external auditor for review together with the supporting documentation requested by the external auditor.

The cost to the smaller authority for the review will be **£200 +VAT**.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2019/20, Sections 1 and 2

- An authority that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting of the authority after 31 March 2020. It should not submit its Annual Governance and Accountability Return to the external auditor. However, as part of a more proportionate regime, the authority **must** comply with the requirements of the Transparency Code for Smaller Authorities.
- The Certificate of Exemption must be returned to the external auditor no later than 30 June 2020. Reminder letters will incur a charge of £40 +VAT for each letter.
- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return and the Certificate of Exemption. Proper Practices are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end.
- The authority **should** receive and note the annual internal audit report if possible before approving the annual governance statement and the accounts.
- Make sure that the Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Avoid making amendments to the completed annual return. Any amendments must be approved by the authority and properly initialled.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness at the meeting at which it is signed off.
- **You should inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- The authority must publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2020**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?		
	Have the dates set for the period for the exercise of public rights been published?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', is an explanation available for publication?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been published?		
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? (<i>Local Councils only</i>)		

***Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Certificate of Exemption – AGAR 2019/20 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 2020, 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 2020 and a completed Certificate of Exemption is submitted no later than 30 June 2020 notifying the external auditor.

ENTER NAME OF AUTHORITY

certifies that during the financial year 2019/20, the higher of the authority's total gross income for the year or total gross annual expenditure, for the year did not exceed **£25,000**

Total annual gross income for the authority 2019/20:

ENTER AMOUNT £00,000

Total annual gross expenditure for the authority 2019/20:

ENTER AMOUNT £00,000

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 was in existence on 1st April 2016
- In relation to the preceding financial year (2018/19), 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 Local 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, 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 2020. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer

Date

SIGNATURE REQUIRED

DD/MM/YYYY

I confirm that this Certificate of Exemption was approved by this authority on this date:

DD/MM/YYYY

Signed by Chairman

Date

SIGNATURE REQUIRED

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

Email of Authority

AUTHORITY EMAIL ADDRESS REQUIRED

Telephone number

TELEPHONE NUMBER

*Published web address

PUBLISHED WEBSITE ADDRESS

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, but no later than 30 June 2020. Reminder letters incur a charge of £40 +VAT

Annual Internal Audit Report 2019/20

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 2020.

The internal audit for 2019/20 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.			✓
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 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (For local councils only)			
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

27/05/2020

Name of person who carried out the internal audit

REVER B GILL

Signature of person who carried out the internal audit



Date

27/05/2020

*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 2019/20

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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 2020, that:

	Agreed		
	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>Yes' means that this authority: 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

*For any statement to which the response is 'no', an explanation must be published

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

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

Section 2 – Accounting Statements 2019/20 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	101,049	152,672	<i>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.</i> <i>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.</i>
2. (+) Precept or Rates and Levies	32,500	34,800	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	72,090	43,087	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	9,218	10,317	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	43,652	24,500	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	152,768	195,742	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	152,768	195,742	<i>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.</i>
9. Total fixed assets plus long term investments and assets	80,436	80,436	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes ✓	No	<i>The Council as a body corporate acts as sole trustee for and is responsible for managing Trust funds or assets.</i> <i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2020 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

SIGNATURE REQUIRED

Date

DD/MM/YYYY

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Appendix C.

Explanation of variances – pro forma

Name of smaller authority:

County area (local councils and parish meetings only):

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).

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Explanation
1 Balances Brought Forward	101,049	152,672	-51,623	51%	YES	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES Explanation of % variance from PY opening balance not required - Balance brought forward does not agree, query this
2 Precept or Rates and Levies	32,506	34,800	2,300	7.08%	NO	
3 Total Other Receipts	72,090	43,067	-29,003	40.23%	YES	
4 Staff Costs	9,216	10,317	1,099	11.92%	NO	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO	
6 All Other Payments	43,652	24,500	-19,152	43.87%	YES	
7 Balances Carried Forward	152,769	195,742			YES	Variance explanation not required EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES
8 Total Cash and Short Term Investments	152,768	195,742			YES	Variance explanation not required
9 Total Fixed Assets plus Other Long Term Investments and	80,436	80,436	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

Explanation of Variances Sheet 1

3 - Total Other Receipts

Increase in courts/football field income

	18/19	19-20	
Precept Support Grant	200	80	
Interest	555	863	
Grants received		4,717	
Courts Income	460	40	
allotment income	15	15	
Youth Project Income	1213	0	
Section 106	46,642	37,381	
VAT reclaim	1,572	0	
MISC Income	21,336		
	71993	43096	-28897

6 - All Other Payments

Clerks Training	115	446	
Office Expenses	1404	950	
Audit Fees	336	700	
Professional Fees	761	1039	
Subscriptions	619	590	
Insurance	1163	0	
Bank Charges	54	72	
Contingency	109	0	
Youth Project Costs	12567	252	
Grants Made	3291	3008	
Councillor training	35	137	
Elections	0	200	
Chairman's Allowance	0	24	
Greens	3880	6067	
Machinery Repairs	204	1047	
Street Lighting Power	707	773	
Street Lighting Maintenance	19	19	
Playground Repairs	411	6722	
Capital Expenditure	12336	0	
Software	330	0	
Neighbourhood Plan	1634	0	
VAT on payments	3795	2458	
Total	43770	24504	-19266

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the y

Farmedarked reserves:		General reserve		Total reserves (must agree to Box 7)
£	£	£	£	£
110,000	1,000	159,000	0	159,000
Young People Project	Office Equipment			
	Playground Repairs			
	Playground Upgrade			
	Mower Replacement			
	MUGA Repair/upgrade			
	Community Centre Dev			
	20,000			