

MASTER

Annual Governance and Accountability Return 2018/19 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 2018/19

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 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); 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 2019**.

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 2018/19**, page 4
- **Section 1 – Annual Governance Statement 2018/19**, page 5
- **Section 2 – Accounting Statements 2018/19**, 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 2018/19 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 2018/19, 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 2019. 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 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 prior to approving the annual governance statement and before approving the accounts.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), 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.**
- It is recommended that the authority has numerical and narrative explanations for significant variances in the accounting statements on **page 6**, should a question be raised by a member of the public. There is guidance provided in the *Practitioners' Guide** that may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2018) equals the balance brought forward in the current year (Box 1 of 2019).
- 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 2019**.

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 should a question be raised by a local elector and/or an interested party?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Is an explanation of significant variations from last year to this year available, should a question be raised by a local elector and/or an interested party?	✓	
	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>)	NA	

* *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

Annual Internal Audit Report 2018/19

SIMONSTONE 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.	✓		
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.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			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

Name of person who carried out the internal audit

06/05/2019 to 09/05/2019 LESLIE PICKERING

Signature of person who carried out the internal audit

L. Pickering

Date

09/05/2019

*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 2 – Accounting Statements 2018/19 for

SEMI-METROPOLITAN PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	11739	13923	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	8400	8400	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	3339	1411	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	2513	2563	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	6702	7230	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	13923	13941	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	13923	13941	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	NONE	NONE	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	NO	NO	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

[Signature]

Date

5/05/19

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

13/06/19

as recorded in minute reference:

19/12/18 iii

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

[Signature]

Certificate of Exemption – AGAR 2018/19 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 2019, 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 2019 and a completed Certificate of Exemption is submitted notifying the external auditor.

SIMONSTONE PARISH COUNCIL

certifies that during the financial year 2018/19, the higher of the authority's gross income for the year or gross annual expenditure, for the year did not exceed **£25,000**

Annual gross income for the authority 2018/19:

£9811.40

Annual gross expenditure for the authority 2018/19:

£9793.29

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 has been in existence since before 1st April 2015
- In relation to the preceding financial year (2017/18), 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 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, Annual 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 2019. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer

[Signature]

Date

23/06/19

Signed by Chairman

[Signature]

Date

23/06/19

Email

SIMONSTONE@COUNCIL.NHT

Telephone number

01200428742

*Published web address

SIMONSTONE.ORG.UK/

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.

Bank reconciliation – pro forma		
Name of smaller authority: <u>Simonstone Parish Council</u>		
County area (local councils and parish meetings only): <u>Lancashire</u>		
Financial year ending 31 March 2019		
Prepared by <u>I Roger Hirst Parish Clerk</u> (Name and role)		
Date <u>6/4/2019</u>		
Balance per bank statements as at 31 March 2019:	£	£
Barclays community current Business @	2827.84	
Barclays Preimum Savings @	11244.56	
	14072.40	14072.40
Petty cash float (if applicable)	0	
Less: any un presented cheques at 31 March 2019		
D Peat £31 (2017-2018) 101249	31.00	
St Peters School Governors 101314	60.00	
British Legion 101299	40.00	
sub total	131.00	131.00
Add: any un-banked cash at 31 March 2018		
Net balances as at 31 March 2018 (Box 8)	13941.40	13941.40
<i>The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:</i>		
CASH BOOK:		
Opening Balance 1 April 2018 (Prior year Box 8)	13922.79	
Add: Receipts in the year	9811.40	
	23734.19	
Less: Payments in the year	9792.79	
Closing balance per cash book [receipts and payments book] as at 31 March 2019 (must equal net balances above – Box 8)	13941.40	13941.40

Explanation of variances – pro forma

Name of smaller authority: Simonstone Parish CouncilCounty area (local councils and parish meetings only): Lancashire

Please provide full explanations, including numerical values, for the following: variances of more than 15% between totals for individual boxes (except variances of less than £200); a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2017/18 £	2018/19	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 <i>Precept or Rates and Levies</i>	8400	8400	0	0	N/A
Box 3 <i>Total other receipts</i>	2999	1411	1588	52.9%	Reduction in grants received Concurrent grant £285 Councillor grant £728 Vat £958
Box 4 <i>Staff costs</i>	2513	2562	47	1.8%	NA
Box 5 <i>Loan interest/capital repayments</i>	nil	nil	na	N/A	NA
Box 6 <i>All other payments</i>	6702	7231	529	7.9%	NA
Box 9 <i>Total fixed assets & long term investments & assets</i>	11663	11775	113	.97%	Purchase of Traffic Mirror £114 Replacing damage one valued at £1.
Box 10 <i>Total borrowings</i>	none	None	None	NA	NA
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end: No.				

Smaller authority name: Simonstone Parish Council

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF ANNUAL GOVERNANCE & ACCOUNTABILITY
RETURN (EXEMPT AUTHORITY)**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

**Local Audit and Accountability Act 2014 Sections 25, 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p>1. Date of announcement <u>7st July 2019</u> (a)</p> <p>2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review. Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it 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:</p> <p style="padding-left: 40px;">I Roger Hirst, Parish Clerk, Simonstone Parish Council, 24 Ennerdale Road, Clitheroe, BB7 2PB/ 001200 438742, jansimonstone@gmail.com</p> <p style="padding-left: 40px;">Commencing on (c) <u>Monday 8th July 2019</u></p> <p style="padding-left: 40px;">and ending on (d) <u>Saturday 17th August 2019</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none"> • 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 the 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. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:</p> <p style="padding-left: 40px;">PKF Littlejohn LLP (Ref: SBA Team) 1 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-littlejohn.com)</p> <p>5. This announcement is made by (e) <u>I Roger Hirst Clerk Simonstone Parish Council</u></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

Simonstone Parish Council
Chairman; - Coun. David Peat
Clerk I Roger Hirst, 24 Ennerdale Road, Clitheroe BB7 2PB.
Tel/ Fax 01200 428742
www.simonstone.org.uk
email- iansimonstone@gmail.com

**CONFIRMATION OF THE DATES OF THE PERIOD FOR THE
EXERCISE OF PUBLIC RIGHTS**

Name of smaller authority: Simonstone Parish Council

County Area (local councils and parish meetings only) Lancashire County Council:

**On behalf of the smaller authority, I confirm that the dates set for the period for the
exercise of public rights are as follows:**

Commencing on 8th July 2019

and ending on 17th August 2019

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2019 (i.e. Monday 1 July – Friday 12 July).

We have suggested the following dates: Monday 17 June – Friday 26 July 2019. The latest possible dates that comply with the statutory requirements are Monday 1 July – Friday 9 August 2019.)

Signed: _____ I R HIRST

Role: PARISH CLERK

Contact details

Name Ian Roger Hirst of smaller authority: Simonstone Parish Council

County Area (local councils and parish meetings only): Lancashire County Council

Please complete this form and send it back to us with the AGAR or exemption certificate

	Clerk/RFO (Main contact)	Chair
Name	Ian Roger Hirst	David Peat
Address	24 Ennerdale Road Clitheroe BB7 2PB	Cllr David Peat 1 Haugh Avenue Simonstone BB12 7QR
Daytime telephone number	01200 428742	01282 774939
Mobile telephone number	07949783464	07538674420
Email address	<u>iansimonstone@gmail.com</u> i.r.hirst@talktalk.net	or davidpeat1@yahoo.co.uk.]