

# Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *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 and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report if possible before approving the annual governance statement and the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2020.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that 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 period 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 it **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 have been completed?	✓	
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?	✓	
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', has an explanation been published?	✓	
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?	✓	
	Has the bank reconciliation as at <b>31 March 2020</b> been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.	MA	

\**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

# Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of

*Ingot & Lanterton Neighbourhood 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 2020, that

	Agreed		Yes* means that this authority:
	Yes	No*	
1. We have an accounting system that is suitable for the management of the authority during the year and for the preparation of the accounting statements	✓		complied 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 give 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 these risks including the introduction of internal controls and/or external assurance 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 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 and have a financial impact on this authority and where appropriate have included them in the accounting statements	✓		has 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, as a body corporate, it is a sole managing trustee of a local list or trusts

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

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

*20/5/2020*

and recorded as minute reference

*18/20*

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

Chairman

Clerk

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

*www.ingotlantertonnc.org.uk*

Accounting statements 2019/20 for

Y-901 & Tanterton Neighbourhood Council

	Year ending		Notes and guidance				
	31 March 2019 £	31 March 2020 £					
1. Bal. forward brought forward	68632.	75580.	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	53603	99000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received				
3. (+) Total other receipts	10381	3693	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	8648	7358	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				
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any)				
6. (-) All other payments	48388	73760.	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	75580	97155	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6)				
B. Total value of cash and short term investments	75580	97155.	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	23704	23904	The value of all the property the authority owns - it is made up of all its fixed assets and long term investments as at 31 March				
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB)				
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	<table border="1"> <tr> <th>Yes</th> <th>No</th> </tr> <tr> <td></td> <td>✓</td> </tr> </table>		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.
Yes	No						
	✓						

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Statement have been prepared on either a receipts and payments or income and expenditure basis following the guidance in the Annual Governance and Accountability for Smaller Authorities - a Citizens' Guide to Proper Practices and present fairly the financial position of this authority as at the year end and have been approved by Responsible Financial Officer before being presented to the authority for approval

*[Signature]*  
29/4/2020.

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

7/5/2020

as recorded in minute reference

18/20

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

*[Signature]*

# Annual Internal Audit Report 2019/20

*In 901 of Telford Neighbourhood 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 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations: payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 <b>(If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed)

Date(s) internal audit undertaken

*12/05/20*

Name of person who carried out the internal audit

*LEN SLADE*

Signature of person who carried out the internal audit

*Len Slade*

Date *12/05/20*

By the responsible person who has signed this report, I declare that the information and findings reported in this report are true and correct to the best of my knowledge and belief. I also declare that I am not aware of any circumstances that might materially affect the reliability of the information and findings reported in this report.

### Section 3 – External Auditor Report and Certificate 2019/20

In respect of *Yngol & Tonterton Neighbourhood Council*

#### 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 2020; 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 2019/20

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

#### 3 External auditor certificate 2019/20

We certify/do not 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 2020.

\*We do not certify completion because

External Auditor Name

External Auditor Signature

Date

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

# Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It the column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are on a receipts and payments basis. Please complete the highlighted boxes, remembering that un-presented cheques should be entered as negative figures.

Name of smaller authority: The 901 & Tenerton Neighbourhood Council

County area (local councils and parish meetings only): Lancashire

Financial year ending 31 March 2020

Prepared by (Name and Role): Bill Major - clerk

Date: 29/4/2020

	£	£
<b>Balance per bank statements as at 31/3/2020</b>		
account 1	30804.88	
account 2		
account 3	31028.32	
account 4		
[add more accounts if necessary] account 5	35322.01	
account 6		
account 7		
account 8		
	-	-
<b>Petty cash float (if applicable)</b>	-	-
<b>Less: any un-presented cheques as at 31/3/2020 (enter these as negative numbers)</b>		
item 1		
item 2		
item 3		
item 4		
[add more lines if necessary] item 5		
item 6		
item 7		
item 8		
	-	-
<b>Add: any un-banked cash as at 31/3/2020</b>		
	-	-
<b>Net balances as at 31/3/2020 (Box 8)</b>		£97155.00