

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.
- 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.
- 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 |   |                                     |  |
|--|---|-------------------------------------|--|
| All sections   | Have all highlighted boxes been completed?  | <input checked="" type="checkbox"/> |  |
|  | Have the dates set for the period for the exercise of public rights been published?   | <input checked="" type="checkbox"/> |  |
| Internal Audit Report  | Have all highlighted boxes been completed by the internal auditor and explanations provided?  | <input type="checkbox"/>            |  |
| Section 1  | For any statement to which the response is 'no', is an explanation available for publication?   | <input checked="" type="checkbox"/> |  |
| Section 2  | Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?                | <input checked="" type="checkbox"/> |  |
|  | Has an explanation of significant variations from last year to this year been published?  | <input checked="" type="checkbox"/> |  |
|  | 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? | <input checked="" type="checkbox"/> |  |
| Sections 1 and 2   | Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? (Local Councils only)               | <input checked="" type="checkbox"/> |  |

\* *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)



**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.

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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: **£10,074**

Total annual gross expenditure for the authority 2019/20: **£12,473**

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 3(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.**

I confirm that this Certificate of Exemption was approved by this authority on this date: **06/05/20**

Signed by the Responsible Financial Officer: *[Signature]* Date: **06/05/20**

Signed by Chairman: *[Signature]* Date: **06/05/20**

as recorded in minute reference: **2020/232**

Telephone number: **07880717329**

Email of Authority: **PLESHEYPC@GMAIL.COM**

\*Published web address: **E-VOICE.ORG.UK/PLESHEY-PARISH-COUNCIL**

**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

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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

| 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  
 Name of person who carried out the internal audit

Signature of person who carried out the internal audit  
 Date

\*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:

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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.  | <input checked="" type="checkbox"/> |  |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.  | <input checked="" type="checkbox"/> |  |
| 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. | <input checked="" type="checkbox"/> |  |
| 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.   | <input checked="" type="checkbox"/> |  |
| 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.  | <input checked="" type="checkbox"/> |  |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.  | <input checked="" type="checkbox"/> |  |
| 7. We took appropriate action on all matters raised in reports from internal and external audit.  | <input checked="" type="checkbox"/> |  |
| 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.                                  | <input checked="" type="checkbox"/> |  |
| 9. (For local councils only) Trust funds including trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.  | <input checked="" type="checkbox"/> |  |

\*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:

06/05/2020

and recorded as minute reference:

2020/233

Chairman

*[Signature]*

Clerk

*[Signature]*

approval was given:

Signed by the Chairman and Clerk of the meeting where



Section 2 – Accounting Statements 2019/20 for

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| Notes and guidance  | Year ending   |               |
|---|---------------|---------------|
|   | 31 March 2020 | 31 March 2019 |
| 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.   | £             | £             |
| 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.  | 26292         | 15929         |
| Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.   | 7506          | 7480          |
| Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.   | 2568          | 10604         |
| 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. | 3801          | 3822          |
| Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).  | 0             | 0             |
| Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).   | 8672          | 3899          |
| Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).   | 23893         | 26292         |
| 1. Balances brought forward   |               |               |
| 2. (+) Precept or Rates and Levies  |               |               |
| 3. (+) Total other receipts   |               |               |
| 4. (-) Staff costs  |               |               |
| 5. (-) Loan interest/capital repayments   |               |               |
| 6. (-) All other payments   |               |               |
| 7. (=) Balances carried forward   |               |               |
| 8. Total value of cash and short term investments   | 26292         | 23893         |
| 9. Total fixed assets plus long term investments and assets   | 5163          | 54740         |
| 10. Total borrowings  | 0             | 0             |
| 11. (For Local Councils Only) Disclosure note<br>The Council as a body corporate acts as sole trustee for and is responsible for managing Trust funds or assets.  | No            | Yes           |
| N.B. The figures in the accounting statements above do not include any Trust transactions.  |               |               |

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

06/05/20

as recorded in minute reference:

2020/234

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

*[Signature]*

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]*

06/05/20

Date