

Annual Governance and Accountability Return Part 2

To be completed only by 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

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 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) **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 **30th June**. Failure to do so will result in reminder letter(s) for which the Authority will be charged £40 PLUS 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)** must be completed by the authority's internal auditor. • **Section 1 – Annual Governance Statement (page 5)** must be completed and approved by the authority. • **Section 2 – Accounting Statements (page 6)** must 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 the authority website/webpage **before 1st July**.

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**, page 4
- ❖ **Section 1 – Annual Governance Statement**, page 5
- ❖ **Section 2 – Accounting Statements**, 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

Any smaller authority may request a limited assurance review. If so, the authority should not certify itself as exempt or complete the certificate of exemption. Instead, it should complete part 3 of the AGAR and return it to the external auditor together with the supporting documentation requested by the external auditor. The cost to the smaller authority for the review will be **£200 +VAT**.

Providing the authority certifies itself as exempt and completes and publishes the documents listed under "Publication requirements", there is no requirement for the authority to have a limited assurance review.

If it decides to certify itself as exempt, the authority must complete and return the certificate of exemption on page 3 to the external auditor to confirm that it has certified itself exempt.

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 Local Audit and Accountability Act 2014.*

Annual Governance and Accountability Return Part 2

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return, 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 2021. 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. 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 AGAR 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 before approving the Annual Governance Statement and the accounts.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Make sure that the AGAR 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 AGAR for completeness at the meeting at which it is signed off.
- **You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic 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 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- The Responsible Financial Officer (RFO), on behalf of the authority, must set the commencement date for the exercise of public rights of 30 consecutive working days which must include the first ten working days of July.
- The authority must publish, on the authority website/webpage, 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**.

Annual Governance and Accountability Return Part 2

Completion checklist – ‘No’ answers mean you may not have met requirements			
All sections	Have all highlighted boxes have been completed?	Yes	
	Have the dates set for the period for the exercise of public rights been published?	Yes	
Internal Audit Report	Have all highlighted boxes have been completed by the internal auditor and explanations provided?	Yes	
Section 1	For any statement to which the response is ‘no’, is an explanation available for publication?	Yes	
Section 2	Has the authority’s approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	Yes	
	Has an explanation of significant variations from last year to this year been published?	Yes	
	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?	Yes	
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.)		No

*More guidance on completing this annual return is available in ***Governance and Accountability for Smaller Authorities in England – a Practitioners’ Guide to Proper Practices***, which can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Certificate of Exemption – Agar part 2 To be completed only 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, 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 and a completed Certificate of Exemption is submitted not later than **30th June**.

Nether Wyresdale Parish Council
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Certifies that during the financial year, 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**.

Annual gross income for the authority:	£17,383.62
Annual gross expenditure for the authority:	£16,697.79

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 on 1st April 2017

In relation to the preceding financial year, 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 submitted to the external auditor either by email or 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 1st July. **By signing this certificate you are also confirming that this will be done.**

Signed by the Responsible Financial Officer

Date

M J Harben	06/05/21
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Signed by Chairman

Date

James Cottle	06/05/21
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I confirm that this certificate of exemption was approved by the authority on this date & recorded as minute reference:

06/05/21	Page 83, item 7
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Email

Telephone number

Lancashireparishclerk@gmail.com	(01253) 790156
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Published web address

http://netherwyresdale-pc.gov.uk	
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This Certificate of Exemption should be returned as soon as possible after certification to your external auditor.

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Annual Internal Audit Report

NETHER WYRESDALE PARISH COUNCIL

<http://netherwyresdale-pc.gov.uk>

During this financial year, 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 and obtained appropriate evidence from the authority.

The internal audit 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 summarized 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 Audit objective (agreed? Choose one of following)	Yes	No	Not covered/N/A
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes		
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.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic bank account reconciliations were properly carried out during the year.	Yes		
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	Yes		

and where appropriate debtors and creditors were properly recorded.			
K. If the authority certified itself exempt from a limited assurance review last year, it met the exemption criteria and correctly declared itself exempt (If the authority had a limited assurance review last year tick "not covered")	N/A		N/A
L. The authority publishes information on a website/web page up to date at the time of the internal audit in accordance with the Transparency Code for smaller authorities.	Yes		
M. The authority during the previous year correctly provided for the period for the exercise of public rights as required by the Accounts and Audit regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)	Yes		
N. The authority has complied with the publication Requirements for last year (see AGAR page 1 guidance notes).	Yes		
O (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee			N/A

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

identified

Date(s) internal audit undertaken

Name of person who carried out the internal audit

05/06/21	W L Richmond FCCA
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Signature of person who carried out the internal audit

Date

W Richmond	05/06/21
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*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

We acknowledge as the members of:

NETHER WYRESDALE PARISH COUNCIL
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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 2018, that:

	Yes	No	N/A	Yes means that this authority:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements	Yes			<i>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.	Yes			<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.	Yes			<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.	Yes			<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.	Yes			<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 system of internal audit of the accounting records and control systems	Yes			<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.	Yes			<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	Yes			<i>disclosed everything it should have about its business activity during the year including events taking place after the yearend 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.			N/A	<i>has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.</i>

This Annual governance statement was approved at a meeting of the authority on:

06/05/21

And recorded as minute reference:

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Signed and approved by the chairman and clerk of the meeting where the approval was given:

Chairman:

James Cottle

Clerk:

M J Harben

Other information required by the Transparency Code (not part of the annual governance statement)		
The authority website/webpage is up to date and the information required by the Transparency Code has been published.	Yes	No
	Yes	

<http://netherwyresdale-pc.gov.uk>

Section 2 – Accounting statements

NETHER WYRESDALE PARISH COUNCIL

	31 st March	31 st March	Notes and guidance <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>
1. Balances brought forward	8101	9976	<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	16,250	17,301	<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	1068	83	<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 <i>Total expenditure or payments of capital and interest</i>	3945	4163	<i>Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	nil	nil	<i>Total expenditure or payments of capital and interest during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	11,498	12,535	<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	9976	10,662	<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	9976	10,662	<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	87,636	90,015	<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	nil	nil	<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)		No	<i>The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts & payments or income and expenditure basis following guidance in Governance & Accountability for Smaller Authorities – a Practitioners Guide to Proper Practices and present fairly the financial position of the authority.

Signed by Responsible Financial Officer before being presented to the authority for approval:

M J Harben

Date:

06/05/21

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

06/05/21

and recorded as minute reference:

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Signed by Chairman of the meeting where the accounting statements were approved.

James Cottle

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