

Annual Governance and Accountability Return 2019/20 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

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

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** is completed by the authority's internal auditor.
 - **Sections 1 and 2** are to be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published **before 1 July 2020**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2020**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2020
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2019/20

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2020 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

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 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 the dates set for the period for the exercise of public rights , 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 31 March 2020 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? NB: do not send trust accounting statements unless requested.	✓	

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

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

KIRKANDREWS ON ESK PARISH 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 put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance 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 gave 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 those risks, including the introduction of internal controls and/or external insurance cover 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 smaller 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-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		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 trust 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:

08/06/2020

and recorded as minute reference:

011/20.3.1

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

Chairman

W Bundred

Clerk

Driddell

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

Authority web address

<https://sites.google.com/site/kirkandrewsoneskiparishcouncil>

Section 2 – Accounting Statements 2019/20 for

KIRK ANDREWSEY ON WESKAP PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	13918	31361	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	7873	8471	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	42272	10787	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	4036	4616	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	28666	21333	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	31361	24670	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	31361	24670	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	36889	36889	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	NONE	NONE	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.
		X	N.B. The figures in the accounting statements above do not include any Trust transactions.

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

Middell

Date

07/05/2020

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

08/06/2020

as recorded in minute reference:

011/20-3.2

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

W Bundred

Section 3 – External Auditor Report and Certificate 2019/20

In respect of **KIRKANDREWSTON ABERDEEN PARISH 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

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

*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)

KIRKANDREWS ON ESK PARISH COUNCIL

BANK RECONCILIATION AT 31st March 2020

Barclays Community Account - 40548464

Balance b/f at 01/04/19	30,572.75		
Income	19,257.03	Expenditure	25,949.60
		Balance c/f	23,880.18
	<u><u>49,829.78</u></u>		<u><u>49,829.78</u></u>

Bank Reconciliation

Balance per statement @ 31.03.20 24,092.18

Less o/s cheques

HMR&C	100984	212.00	
		<u>212.00</u>	
		<u><u>23,880.18</u></u>	

Barclays Business Saver Account - 40548472 -

Balance b/f at 01/04/19	788.48		
		Expenditure	0.00
Interest rec'd	1.45	Balance c/f	789.93
	<u><u>789.93</u></u>		<u><u>789.93</u></u>

BANK BALANCES

	<u>B/F</u>		<u>C/F</u>
Community Account - 40548464	30,572.75		23,880.18
Business Saver Account - 40548472	788.48		789.93
	<u><u>£ 31,361.23</u></u>		<u><u>£ 24,670.11</u></u>

I certify that I have checked the above figures and am satisfied, to the best of my belief and knowledge, that they accurately represent the financial position of the Parish Council at the end of the month indicated.

W Bundred
11 June 2020

KIRKANDREWS ON ESK PARISH COUNCIL

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2020

RECEIPTS	
Precept	£ 8,471.00
Cumbria Community Foundation (Grant awarded to parishes for distribution)	£ 5,211.23
Cumbria Community Foundation - grant received	
Grantscape - bus shelter grant	£ 5,462.00
Vat received	£ 112.80
Wayleave	
Other Grants	
Village Hall Grant - CPCA	
Interest Received	£ 1.45
Total Income	£ 19,258.48
PAYMENTS	
Staff	£ 4,616.46
Grass cutting	£ 850.00
Village Hall Grants	£ -
Other Grants	£ -
Grants via CCF from Beck Burn Wind Farm	£ 1,560.00
Insurance	£ 307.95
Hall hire & meeting costs	£ 89.02
Advertising	£ -
Admin	£ 336.66
Subscriptions	£ 185.77
Audit fees	£ 375.00
Vat	£ 70.00
s137	£ 23.00
Information Commissioner	£ 35.00
Data Protection Officer	£ -
Assets -	£ -
Bus shelter repairs	£ 692.24
Misc repairs	£ -
Superfast Broadband Projects	£ 16,368.50
Special projects	£ -
Burial ground maintenance	£ -
Members	£ -
Playground - repairs & inspection	£ 440.00
Total Expenditure	£ 25,949.60
Excess of Expenditure over Income	-£ 6,691.12

The above Statement represents fairly the financial position of the Parish Council at 31st March, 2020 and reflects its income and expenditure during the year and was approved by the Parish Council at its meeting on 8th June 2020

W Bundred
Chairman

Ariddell
Responsible Officer

8th June 2020

KIRKANDREWS ON ESK PARISH COUNCIL

BALANCE SHEET AT 31st MARCH, 2020

Balance at 1st April, 2020	£ 31,361.23	£ 31,361.23
per balance sheet at 31/3/20		
Net surplus/(deficit) 2019/20		-£ 6,691.12
Reserve Fund		£ 24,670.11
Reserve Fund represented by		
Community Account	£ 23,880.18	
Saver Account	£ 789.93	
Total		£ 24,670.11

The above Statement represents fairly the financial position of the Parish Council at 31st March, 2020 and reflects its income and expenditure during the year and was approved by the Parish Council at its meeting on 8th June 2020

W Bundred
Chairman

Ariddell
Responsible Officer

8th June 2020

Explanation of variances – pro forma

KIRK ANDREWS ON ESK PARISH COUNCIL
CUMBRIA

Insert figures from Section 1 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- * variances of more than 15% between totals for individual boxes (except variances of less than £200);
- * a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2)

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Explanation
1 Balances Brought Forward	13,918	31,361				Automatic responses input below based on figures input. DO NOT OVERWRITE THESE BOXES
2 Precept or Rates and Levies	7,873	8,471	598	7.60%	0	NO
3 Total Other Receipts	42,272	10,767	-31,485	74.48%	1	YES
4 Staff Costs	4,036	4,616	580	14.37%	0	NO
5 Loan Interest/Capital Repayment			0	0.00%	0	NO
6 All Other Payments	28,668	21,333	-7,333	25.58%	1	YES
7 Balances Carried Forward	31,361	24,670				
8 Total Cash and Short Term Investments	31,361	24,670				
9 Total Fixed Assets plus Other Long Term Investments at	36,889	36,889	0	0.00%	0	NO
10 Total Borrowings	0	0	0	0.00%	0	NO

Automatic responses input below based on figures input. **DO NOT OVERWRITE THESE BOXES**

Explanation from smaller authority (must include narrative and supporting figures)

Explanation of % variance from PY opening balance not required - Balance brought forward agrees

£38,950 received in 18/19 for Superfast BB community build projects & £5,000 to community projects. In 2019/20 £5,211.23 received towards community projects & £5,462.00 grant received towards new bus shelters

£6,000 less paid to Superfast Broadband projects in 19/20, no village hall grant requested 19/20 whereas £500 paid in 18/19 and £562 less paid in 19/20 for play area repairs

VARIANCE EXPLANATION NOT REQUIRED
EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES

See reserves balance below***

VARIANCE EXPLANATION NOT REQUIRED

*** reserves balance explanation

	2018/19	2019/20
General Reserve Fund	6,662.73	7,226.88
Superfast Broadband Parish Project**	24,698.50	8,330.00
2019/20 Community pot surplus		3,651.23
Grant for new bus shelters		5,462.00
	<u>31,361.23</u>	<u>24,670.11</u>

**Superfast Broadband Explanation

b/f - includes 2017/18 community pot surplus of £3k	7000.00
From CCF	20117.00
From Grantscape	<u>16950.00</u>
	44067.00
Paid to BT ref 9330 (Tower, station cottages (Scotsdyke) area)	(8,424.00)
Paid to BT ref 9331 (Glinger area)	#####
	21698.50
2018/19 Community pot surplus	<u>3000.00</u>
Balance @ 31 3 2019	<u>24698.50</u>
Paid to Openreach ref 671520 (Glinger area)	(10,944.50)
Paid to Openreach ref 671512 (Scotsdyke area)	(5,424.00)
Balance @ 31 3 2020	<u>8330.00</u>

**Smaller authority name: KIRKANDREWS ON ESK PARISH COUNCIL
NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

**Local Audit and Accountability Act 2014 Sections 25, 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)
The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)**

NOTICE

1. Date of announcement 12th June 2020

2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.

Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit 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 2020, these documents will be available on reasonable notice by application to:

Allison Riddell Clerk/RFO
Unit 2, The Old Brewery, Craw Hall, Brampton CA8 1BJ
016977 3382 bramptonpc@gmail.com

commencing on **Monday 15 June 2020**

and ending on **Friday 24 July 2020**

3. Local government electors and their representatives also have:

- 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.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:

**PKF Littlejohn LLP (Ref: SBA Team)
15 Westferry Circus
Canary Wharf
London E14 4HD
(sba@pkf-littlejohn.com)**

5. This announcement is made by - Allison Riddell – Clerk/RFO

Contact details

Name of smaller authority

KIRKANDREWS ON ESK PARISH COUNCIL

County Area (local councils and parish meetings only)

CUMBRIA

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

	Clerk/RFO (Main contact)	Chair
Name	Mrs. Allison Riddell	William Bundred
Address	Unit 2, The Old Brewery, Craw Hall Brampton Cumbria CA8 1TR	Batenbush Farm Bungalow Longtown Nr Carlisle Cumbria CA6 5NW
Daytime telephone number	016977 3382	01228 791258
Mobile telephone number	07798751032	N/A
Email address	kirkandrewsoneskpc@gmail.com	william.bundred@gmail.com