

Annual Governance and Accountability Return 2018/19 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:
 - 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 2018/19

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 2019**.
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):
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2019
 - 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 2018/19

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 review and is able to give an opinion on the limited assurance review, 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 2019 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 2018/19**, approved and signed, page 4
- **Section 2 - Accounting Statements 2018/19**, approved and signed, page 5

Not later than 30 September 2019 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 & 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.*

Annual Internal Audit Report 2018/19

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)	✓		
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	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

17/05/19

Name of person who carried out the internal audit

W. J. Robinson

Signature of person who carried out the internal audit



Date

17/05/19

*If the response is 'no' you must include a note to 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 2018/19

We acknowledge as the members of:

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 2019, 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 should be published with the Annual Governance Statement

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

20/05/19

and recorded as minute reference

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

Chairman

Clerk

[Signature]
[Signature]

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

Authority web address

fennycompton.gov.uk

Section 3 – External Auditor Report and Certificate 2018/19

In respect of

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 2019; 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 2018/19

(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 2018/19

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 2019.

*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)

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

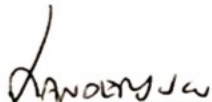
Name of smaller authority: **Fenny Compton Parish Council**

County Area (local councils and parish meetings only): **Warwickshire**

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

Commencing on **Monday 10th June 2019**

and ending on **Friday 19th July 2019.**

Signed: 

Role: Clerk & RFO

Smaller authority name: **Fenny Compton Parish Council**

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

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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

NOTICE

1. Date of announcement 9th June 2019

2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review.

Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2019, these documents will be available on reasonable notice by application to:

Lisa Andersson – Parish Clerk and RFO
Dormers, Church Road, Gaydon, CV35 0ET.
Phone number 01926 640194. Email: fcpc.clerk@gmail.com.

commencing on **Monday 10 June 2019**

and ending on **Friday 19 July 2019**

BY APPOINTMENT ONLY

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 only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:

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

5. This announcement is made by Lisa Andersson (Fenny Compton Parish Clerk)

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

Contact details

Name of smaller authority: **Fenny Compton Parish Council**

County Area (local councils and parish meetings only) **Warwickshire**

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

	Clerk/RFO (Main contact)	Chair
Name	Lisa Andersson	Jon Dutton
Address	Dormers Church Road Gaydon CV35 0ET	2 The Willows High Street Fenny Compton CV47 2YG
Daytime telephone number	07492 522045	07584 196520
Mobile telephone number	07492 522045	07584 196520
Email address	fcpc.clerk@gmail.com	Dutton.jon@talk21.com

Section 2 – Accounting Statements 2018/19 for

Fenny Compton Parish Council

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	38824	39523	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	18680	23765	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	5237	8773	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	3845	4584	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	19373	27181	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	39523	40296	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	39523	40296	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	261759	261759	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	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2019 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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

[Signature]

Date

20/05/19

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

20/05/19

as recorded in minute reference:

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

[Signature]

Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It must agree with the column headed "Year ending 31 March 2019" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a credit and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative numbers.

Name of smaller authority:

FENNY COMPTON PARISH COUNCIL

County area (local councils and parish meetings only):

WARWICKSHIRE

Financial year ending 31 March 2019

Prepared by (Name and Role):

LISA ANDERSSON

Date:

31/03/2019

	£	£
Balance per bank statements as at 31/3/19:		
Commuted Sum	1,934.6	
Deposit Account	26,857.3	
Current Account	1,708.8	
Partial Withdrawal	10,000.0	
Water Shares	40.0	
		40,540.7
Petty cash float (if applicable)		-
Less: any unpresented cheques as at 31/3/19 (enter these as negative numbers)		
1998	(27.50)	
2182	(3.00)	
2184	(215.00)	
		(245.50)
Add: any un-banked cash as at 31/3/19		
None	-	
Net balances as at 31/3/19 (Box 8)		40,295.2

Explanation of variances – pro forma

Name of smaller authority **Fenny Compton Parish Council**

County area (local councils and N/A)

Insert figures from Section 2 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).

	2017/18 £	2018/19 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures Input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	38,824	39,523				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	18,680	23,765	5,085	27.22%	YES		The Parish Council have a large number of obsolete street lights that require replacing. A replacement program has been put in place, and this needed to be accounted for in the budget/precept demand - an amount of £2400 was included in the budget for this. Also, an amount of £3000 was budgeted for allotment fencing
3 Total Other Receipts	5,237	8,773	3,536	67.52%	YES		A grant for £5205 was received on behalf of the Neighbourhood Plan
4 Staff Costs	3,845	4,584	739	19.22%	YES		The Clerk was awarded a pension this year, in line with legal requirements. These payments for the year amounted to £960
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	19,373	27,181	7,808	40.30%	YES		Neighbourhood Plan expenses for the year amounted to £2817, streetlight replacements amounted to £3520 and tree works amounted to £650 more than was budgeted for
7 Balances Carried Forward	39,523	40,296			NO	2018/19 BALANCE CARRIED FORWARD	
8 Total Cash and Short Term Investments	39,523	40,296				2018/19 BALANCE CARRIED FORWARD	
9 Total Fixed Assets plus Other Long Term Investments and	261,759	261,759	0	0.00%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable