

Local Councils, Internal Drainage Boards and other Smaller Authorities in England

Annual Governance and Accountability Return 2017/18 Part 3

To be completed by:

- all smaller authorities* where either the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; and
- any other smaller authorities that either:
 - are unable to certify themselves as exempt; or
 - have requested a limited assurance review.

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

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 **before 2 July 2018**.
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 requesting a limited assurance review, **must** send to the external auditor:
 - the Annual Governance and Accountability Return Sections 1, 2 and 3, together with
 - a bank reconciliation as at 31 March 2018
 - an explanation of any significant year on year variances in the accounting statements
 - your notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2017/18

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

Once the external auditor has completed and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability Return including **Section 3 – External Auditor Report and Certificate** will be returned to the authority.

Publication Requirements

Smaller authorities with either income or expenditure exceeding £25,000 **must** publish on a public website, under the Accounts and Audit Regulations 2015, the Annual Governance and Accountability Return:

- **Section 1 – Annual Governance Statement 2017/18**, page 4
- **Section 2 – Accounting Statements 2017/18**, page 5
- **Section 3 – The External Auditor Report and Certificate 2017/18**, page 6
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

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 Local Audit and Accountability Act 2014.

Annual Internal Audit Report 2017/18

KEMPSFORD PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

The internal audit for 2017/18 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. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

21/5/18

Name of person who carried out the internal audit

VANESSA NA LAWRENCE I.AUDITOR

Signature of person who carried out the internal audit

Lawrence REQUIRED

Date

21/5/18

*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 2017/18

We acknowledge as the members of:

KEMPSFORD 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 2018, 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 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. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

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dated

24/04/18

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

Chairman

[Signature] REQUIRED

Clerk

[Signature] REQUIRED

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

WWW.KEMPSFORDPARISHCOUNCIL.NET

Section 2 – Accounting Statements 2017/18 for

KEMPSFORD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	73,097	62,806	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	20,902	20,943	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	9,903	10,351	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	6,239	6,445	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	34,857	22,091	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	62,806	65,564	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	60,951	64,839	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	44,060	51,670	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 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.
		<input checked="" type="checkbox"/>	

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

T. Paul REQUIRED

Date

23/04/18

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

24/04/18

and recorded as minute reference:

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Signed by Chairman of the meeting where approval of the Accounting Statements is given

[Signature] REQUIRED

Contact details

Name _____ of _____ smaller
authority: KEMPSFORD PARISH COUNCIL

County Area (local councils and parish meetings only): GLOUCESTERSHIRE

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

	Clerk/RFO (Main contact)	Chair
Name	MRS TERESA GRIFFIN	TONY WILLIAMS
Address	WINTERWOOD WHELFORD FAIRFORD GLOS. GL74EB	10 JOHN OF GAUNT RD KEMPSFORD GLOS.
Daytime telephone number	01285 713691	01285 810628
Mobile telephone number	0781 8626158	07591 751758
Email address	CLERK@KEMPSFORD PARISH COUNCIL.NET	TONYWILLIAMS@ KEMPSFORDPARISH COUNCIL.NET

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

Name of smaller authority: KEMPSFORD PARISH COUNCIL

County Area (local councils and parish meetings only): GLOUCESTERSHIRE

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 4TH JUNE 2018

and ending on 13TH JULY 2018

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days
inclusive and must include the first 10 working days of July 2018.

We have suggested the following dates: Monday 4 June – Friday 13 July 2018.

The latest possible dates that comply with the statutory requirements are Monday 2 July – Friday 10
August 2018.)

Signed: T. Gul

Role: CLERK & RFO

PLEASE SUBMIT THIS FORM TO PKF LITTLEJOHN LLP WITH
THE AGAR AND OTHER REQUESTED DOCUMENTATION

Bank reconciliation – pro forma

Name of smaller authority: KEMPSFORD PARISH COUNCIL

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

Financial year ending 31 March 2018

Prepared by TERESA GRIFFIN, CLERK + RFO (Name and role)

Date 10/4/18

Balance per bank statements as at 31 March 2018:	£	£
<u>LOYDS CURRENT A/C (01148727)</u>	<u>£1564.17</u>	
<u>LOYDS BUS. CAL A/C (00881994)</u>	<u>£64023.40</u>	
		<u>65587.57</u>

Petty cash float (if applicable)

Less: any un-presented cheques at 31 March 2018

<u>001904</u>	<u>£113.76</u>	<u>001914</u>	<u>£33.75</u>
<u>001905</u>	<u>£371.49</u>	<u>001915</u>	<u>£120.00</u>
<u>001908</u>	<u>£ 20.00</u>	<u>001916</u>	<u>£ 9.73</u>
<u>001913</u>	<u>£ 80.00</u>		

Add: any un-banked cash at 31 March 2018

NIL

(748.73)

Net balances as at 31 March 2018 (Box 8)

64838.84

The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:

CASH BOOK:

Opening Balance 1 April 2017 (Prior year Box 8)	<u>60,951.26</u>
Add: Receipts in the year	<u>34,540.58</u>
Less: Payments in the year	<u>(30,653.00)</u>
Closing balance per cash book [receipts and payments book] as at 31 March 2018 (must equal net balances above – Box 8)	<u>64,838.84</u>

(See [example](#) for guidance if required)

Explanation of variances – pro forma

Name KEMPSFORD PARISH COUNCIL of GLoucestershire smaller authority:

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

Please provide full explanations, including numerical values, for the following:

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

Section 2	2016/17 £	2017/18 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 Precept or Rates and Levies	20,902	20,943	41	0%	
Box 3 Total other receipts	9,903	10,351	448	4.5%	
Box 4 Staff costs	6,239	6,445	206	3.3%	
Box 5 Loan interest/capital repayments	NIL	NIL	/	/	
Box 6 All other payments	34,857	22,091	(12,766)	(36.6%)	2016/17 included a one off payment of £12,142 for Village Hall maintenance
Box 9 Total fixed assets & long term investments & assets	44,060	51,670	7,610	17.3%	Purchase of new assets in 2017/18 :- Defibrillators £4,495 Speed sign £2,750 Laptop £365
Box 10 Total borrowings	NIL	NIL	/	/	
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:				

- General Reserves £7065
- Play area equipment Transfer / closure £3500
- maintenance of mugs, Play Area, community facilities £8000
- Village Hall maint. £10000
- legal fees £2000
- section 106 fund £33,458

£64,023

Ear-marked funds of which large proportion expected to be spent in year 2018/19

Reconciliation between Box 7 and Box 8 in Section 2 – pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Name KEMPSFORD PARISH COUNCIL of smaller authority:

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

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
Box 7: Balances carried forward		65,564
Deduct:		
Debtors		
• VAT RECOVERABLE	725	
•		
•		
	725	
Deduct:		
Payments made in advance (prepayments)		
•		
•		
	-	
Total deductions		64,839
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
•		
•		
	-	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
•		
•		
	-	
Total additions		-
Box 8: Total cash and short term investments		64,839

Kempsford Parish Council

Clerk: Mrs Teresa Griffin, Winterwood, Whelford, Fairford, Glos GL7 4EB

Email: teresagriffin@kempsford.net Tel: 01285 713691

FIXED ASSET REGISTER

As at 31st March 2018

	Purchase Cost £
Street Furniture	
Southampton Seat	
Adviatie Picnic Table	
TOTAL STREET FURNITURE	1374
Playground Equipment	
Swings (purchase prior to April 2008)	2500 *
Replacement seats purchased Mar 2009	354
Total Swings	2854
Play Equipment & Safety Surface	20000 *
MacVenture Play Equip purchased in 2012	6288
Apr-18 Whelford Play Equip. (basket swing & Zenith tower)	8000
TOTAL PLAYGROUND EQUIP	37140
Office Equipment	
Fujitsu Amilo Laptop - purchased May 2006	798
HP 250 G5 Laptop + Ext Dvdrw (purch May 17)	365
TOTAL OFFICE EQUIPMENT	1163
Resilience Equipment	
3 off Honda Generators	1137
3 off Twin tripod lights	135
3 off Powerheart G5 AED's (purch Aug17)	4495
TOTAL RESILIENCE EQUIPMT	5767
Other Property	
Chairmans Pendent	851
Mobile Speed Sign (purchased May 2010)	2625
Fixed speed activated sign (purch Jan 18)	2750
TOTAL OTHER PROPERTY	6226
Total Assets	51670