8.3a-e

Annual Governance and Accountability Return 2018/19 Part 2

To be completed only by Local Councils, Internal Drainage Boards and other smaller authorities* where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to certify themselves as exempt from a limited assurance review

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2018/19

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 that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** the authority **completes:**

   a) The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email **or** by post (not both); and

   b) The **Annual Governance and Accountability Return (Part 2)** which is made up of:
   • **Annual Internal Audit Report (page 4)** to be completed by the authority's internal auditor.
   • **Section 1 – Annual Governance Statement (page 5)** to be completed and approved by the authority.
   • **Section 2 – Accounting Statements (page 6)** to be completed and approved by the authority.
   NOTE: Authorities certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.

3. The authority **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved and published on a website **before 1 July 2019.**

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 2018/19**, page 4
- **Section 1 – Annual Governance Statement 2018/19**, page 5
- **Section 2 – Accounting Statements 2018/19**, page 6
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Limited Assurance Review

Providing the authority certifies itself as exempt, and completes and publishes the Annual Governance and Accountability Return, there is **no** requirement for the authority to have a limited assurance review.

Any smaller authority may, however, request a limited assurance review. In these circumstances the authority should **not certify itself as exempt, and not complete the** Certificate of Exemption, but complete Part 3 of the Annual Governance and Accountability Return 2018/19 and return it to the external auditor for review together with the supporting documentation requested by the external auditor.

The cost to the smaller authority for the review will be **£200 +VAT.**

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

**for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2018/19, 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 2019. 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 authority **must** comply with Proper Practices in completing Sections 1 and 2 of this Annual Governance and Accountability Return and the Certificate of Exemption. Proper Practices are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end.
- The authority **should** receive and note the annual internal audit report if possible prior to approving the annual governance statement and before approving the accounts.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), 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 Annual Governance and Accountability Return for completeness at the meeting at which it is signed off.
- **You should inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- It is recommended that the authority has numerical and narrative explanations for significant variances in the accounting statements on **page 6**, should a question be raised by a member of the public. There is guidance provided in the *Practitioners' Guide** that may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2018) equals the balance brought forward in the current year (Box 1 of 2019).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2019.**

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
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', is an explanation available should a question be raised by a local elector and/or an interested party?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Is an explanation of significant variations from last year to this year available, should a question be raised by a local elector and/or an interested party?	✓	
	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?	✓	
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)*	✓	

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

Certificate of Exemption – AGAR 2018/19 Part 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2019, 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 2019 and a completed Certificate of Exemption is submitted notifying the external auditor.

GROSMONT PARISH COUNCIL

certifies that during the financial year 2018/19, the higher of the authority's gross income for the year **or** gross annual expenditure, for the year did not exceed **£25,000**

Annual gross income for the authority 2018/19: 6090

Annual gross expenditure for the authority 2018/19: 5376

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 since before 1st April 2015
- In relation to the preceding financial year (2017/18), 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 a copy submitted to the external auditor **either** by email **or** by 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 1 July 2019. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer: E.E. Wiggins — Date: 21/05/2019

Signed by Chairman: [signature] — Date: 21/05/2019

Email: grosmont-pc@hotmail.co.uk — Telephone number: 07986 999171

*Published web address: www.datanorthyorks.gov.uk

ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor.

Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

GROSMONT 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 2019, that:

	Agreed Yes	Agreed No	'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.	✓		*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.*

	Yes	No	N/A	
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.			✓	*has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.*

*For any statement to which the response is 'no', an explanation should be published

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

21/05/2019

and recorded as minute reference:

8.3 C

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

Chairman

Clerk E.E. Wyatt

Section 2 – Accounting Statements 2018/19 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	*Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.*
1. Balances brought forward	4149	4498	*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	3500	3605	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	1805	2485	*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	1428	1417	*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	N/A	N/A	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	3528	3958	*Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	4498	5213	*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	4498	5213	*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	6705	8705	*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	N/A	N/A	*The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).*

	Yes	No	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)			*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

E.E. Wyse

SIGNATURE REQUIRED

Date 21/05/2019

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

21/05/2019

as recorded in minute reference:

8.3 d

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Explanation of variances – pro forma

Name of smaller authority: Grosmont Parish Council

County area (local councils and parish meetings only):

Blue

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	4,149	4,498				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	3,500	3,605	105	3.00%	NO		
3 Total Other Receipts	1,805	2,485	680	37.67%	YES	Mayoress' Fund donation of £500 & NYCC Contribution to grass cutting of £157	
4 Staff Costs	1,427	1,417	-10	0.70%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	3,529	3,958	429	12.16%	NO		
7 Balances Carried Forward	4,498	5,213			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	0	0				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments a	6,705	8,705	2,000	29.83%	YES	2 defibrillators installed	
10 Total Borrowings	0	0	0	0.00%	NO		

GROSMONT PARISH COUNCIL

BANK RECONCILIATION

Grosmont Parish Council
Financial Year Ending 31 March 2019

Prepared by Connie Wiggins, Clerk/Responsible Financial Officer

Balance as Bank Statement at 5 April 2019 Current Account	5212.05
Less un-presented cheques at 31 March 2018	0
Add any unbanked cash at 31 March 2018	0
Net Balances as at 31 March 2018	5212.05

The Net Balances reconcile to the Cash Book for the year as follows:

CASH BOOK	
Opening Balance 01 April 2018	4497.85
Add: Receipts in the year	6090.91
Less: Payments in the year	5376.71
Closing Balance per cash book as at 31 March 2018	**5212.05**

GROSMONT PARISH COUNCIL
COMMUNITY ACCOUNT 2018/19

Date	Payee	Chq No	Receipts	Payments	Current Account	Income Model Ag	Income Precept	Income Other	Expenditure Model Ag	Expenditure Precept	Expenditure Staff wages	Expenditure Stationery, Petrol, etc.	VAT	Sec 137
06.04.18	**Opening Balance**				**4,497.85**									
12.04.18	Sale of ink cartridge	CR	30.00		4,527.85			30.00						
17.04.18	L Fletcher	725		221.90	4,305.95						156.90	65.00		
19.04.18	E Thwaite, hire of Coffee Shop	722		100.00	4,205.95					100.00				
30.04.18	SBC Model Ag/Precept Inst 1	CR	2,631.32			828.82	1,802.50							
30.04.18	YLCA membership fee	721		126.00	6,711.27					126.00				
11.05.18	Mayoress' Fund donation	CR	500.00		7,211.27			500.00						
15.05.18	L Fletcher	726		252.72	6,958.55						225.85	26.87		
16.05.18	HMRC VAT refund	CR	141.27		7,099.82			141.27						
21.05.18	Ingham and Co	723		139.50						116.25			23.25	
22.05.18	R Thurston	724		15.00	6,945.32				15.00					
24.05.18	Zurich Insurance	727		167.44	6,777.88					167.44				
18.06.18	Computer Doctor NE	729		516.00	6,261.88					430.00			86.00	
19.06.18	L Fletcher	730		292.69	5,969.19						277.57	15.12		
22.06.18	J Greening	728		15.00	5,954.19					15.00				
17.07.18	L Fletcher	732		221.80	5,732.39						170.72	45.32	5.76	
27.07.18	D Templeman, travel expenses	731		10.00	5,722.39					10.00				
08.08.18	Information Commissioner's Office	733		40.00	5,682.39					40.00				
10.09.18	NYCC grass cutting payment	CR	157.00		5,839.39			157.00						
18.09.18	L Fletcher	737		313.71	5,525.68						245.41	62.54	5.76	
20.09.18	Ingham and Co	735		37.80	5,487.88					31.50			6.30	
24.09.18	FW Scarth	736		270.00	5,217.88				225.00				45.00	
27.09.18	SBC Model Ag/Precept Inst 1	CR	2,631.32		7,849.20	828.82	1,802.50							
16.10.18	L Fletcher	742		133.04	7,716.16						128.04	5.00		
16.10.18	Computer Doctor NE	740		30.00	7,686.16					25.00			5.00	
26.10.18	FW Scarth	738		270.00	7,416.16				225.00				45.00	
21.11.18	SLCC suscription fee	739		32.00	7,384.16					32.00				
27.11.18	L Fletcher	744		230.98	7,153.18						213.40	17.58		
03.12.18	Ingham and Co	743		37.80	7,115.38					31.50			6.30	
04.12.18	Donation to St Matthew's in lieu of hire of Coffee Shop	741		40.00	7,075.38					40.00				
07.01.19	L Fletcher	745		282.42	6,792.96						282.42			
13.02.19	Ingham and Co	746		37.80	6,755.16					31.50			6.30	
13.02.19	Grosmont Cricket Club	747		320.00	6,435.16				320.00					
13.02.19	R Thurston - Bench Maintenance	748		360.00	6,075.16					360.00				
13.02.19	Grosmont PCC	749		400.00	5,675.16				400.00					
13.02.19	PKF Littlejohn	750		240.00	5,435.16				240.00					
13.03.19	L Fletcher	751		223.11	5,212.05						223.11			
			6,090.91	5,376.71		1,657.64	3,605.00	828.27	1,425.00	1,556.19	1,923.42	237.43	234.67	

Opening balance	£ 4,497.85
Income	£ 6,090.91
Total	**£ 10,588.76**
Expenditure	£ 5,376.71
Closing balance	**£ 5,212.05**

Contact details

Name of smaller authority: GROSMONT PARISH COUNCIL

County Area (local councils and parish meetings only):

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

	Clerk/RFO (Main contact)	Chair
Name	CONNIE WIGGINS	ROGER WOOTTON
Address	MOORGARTH MILL GREEN WAY GOATHLAND WHITBY YO22 5LZ	HIGH HOLLINS GROSMONT WHITBY YO22 5PT
Daytime telephone number	01947 896695	01947 895528
Mobile telephone number	07986 999171	
Email address	grosmont-pc@hotmail.co.uk	rogerwootton@tiscali.co.uk

Smaller authority name: _____

NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF UNAUDITED ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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

NOTICE	NOTES
1. Date of announcement FRI 14TH JUNE 2019 (a)	(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below
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 2019, these documents will be available on reasonable notice by application to:**	
(b) CONNIE WIGGINS, CLERK + RFO MOORGARTH, COATHLAND, WHITBY YO22 5LZ 07986 999171 / grosmont-pc@hotmail.co.uk	(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts
commencing on (c) **Monday 17 June 2019**	(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below
and ending on (d) **Friday 26 July 2019**	(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.
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)** **1 Westferry Circus** **Canary Wharf** **London E14 4HD** (sba@pkf-littlejohn.com)	
5. This announcement is made by (e) C.E. WIGGINS - RFO	(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority