

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2018/19

- 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 (i.e. no empty highlighted boxes), 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 Annual Governance and Accountability Return 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 prior to approving the annual governance statement and before approving 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).
- 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 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 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 2019**.

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 <b>the dates set for the period for the exercise of public rights</b> , 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', is an explanation provided?	✓	
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 provided?	✓	
	Has the bank reconciliation as at <b>31 March 2019</b> 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? <b>NB:</b> 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.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



## Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

SEDLESCOMBE 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' 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:

18/06/19

and recorded as minute reference:

M161.3d REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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

Authority web address

SEDLESCOMBE.ORG.UK



## Section 2 – Accounting Statements 2018/19 for

### SEDLESCOMBE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
			<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward	71796	87880	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	46344	47734	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	25380	6442	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	16607	14392	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	10547	4643	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	28487	18706	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	87880	104315	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	88560	104315	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	292313	292313	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	24658	20931	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.
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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

*Scott*  
SIGNATURE REQUIRED

Date

16/06/19

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

18/06/19

as recorded in minute reference:

61.3e. REFERENCE

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

*[Signature]*  
SIGNATURE REQUIRED



# Annual Internal Audit Report 2018/19

## SEDLIESCOMBE 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 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.			MA ✓
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. ( <i>"Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i> )			✓
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 ✓
<b>M. (For local councils only)</b> 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 **SEE REPORT.**

Name of person who carried out the internal audit

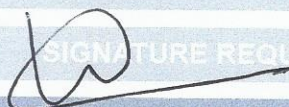
06/06/19

DD/MM/YY

DD/MM/YY

EN KEITHIE ROBERTSON AUDITOR

Signature of person who carried out the internal audit



SIGNATURE REQUIRED

Date

06/06/19

\*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).



Sedlescombe Parish Council

Bank Reconciliation

Financial year ending 31 March 2019

Prepared by Jackie Scarff, Clerk and RFO

Balance per bank statement as at 31/03/2019

		£	£
Barclays Community Account - 60700304		81649.85	
Barclays Active Saver - 43651258		79.98	
West Bromwich		23049.71	
Petty Cash		1.63	
Total			<u>104781.17</u>

Less: any un-presented cheques at 31/03/2019  
(from current account)  
Cheque Number

30/10/2018	Royal British Legion	Wreath	103453	20.00	
20/01/2019	Cheque to transfer to new account		103454		0 cashed 8/4/19
19/03/2019	Village Hall	Feb Hire	103503		24 cashed 1/4/19
19/03/2019	G Burley & sons		103504	265.00	cashd 2/4/19
19/03/2019	HMRC	PAYE	103508	157.45	
	accrual				

466.45

Add: un-banked cash:  
eg cash banked 31 March but not credited until 1 April

0.00

0.00

Net Balance as at 31/03/2019  
CASH BOOK

104314.72

		£
Opening Operating Bank Balance Barclays community 1st April 2018		64783.57
Barclays Active Saver		79.67
West Bromwich		23014.32
Petty Cash		1.63
<b>Total Opening Bank Balance 1 April 2018</b>		<b>87879.19</b>
Receipts in the year so far		54176.28
Payments in the year so far		37740.75
Transfer of cash to Acc		0.00
Transfer of cash to Acc		0.00
<b>Closing operating balance per cash book as at 31/03/2019</b>		<b>104314.72</b>
Payments in the year so far		

**0.00**

Signed ..... Date 18/6/19

Section 1 Accounting Statement for external auditors

	31-Mar-18	31-Mar-19	variance £	Variance %	Comments
1 Balances Brought forward	71796	87880	16,084	22	
2 Annual Precept	46344	47734	1,390	3	
3 Total Receipts	25380	6442	-18,938	-75	£11000 anonymous gift received 2018 reduction in CIL receipts to £4380
4 Staff Costs	16607	14392	-2,215	-13	2 months saving of clerks wages
5 Loan interest/capital repayments	10547	4643	-5,904	-56	Early repayment of a PWLB loan £4911 in yr 17/18
6 All other payments	28487	18706	-9,782	-34	Reduction due to no costs associated with neighbourhood plan (17/18 £16000)
7 Balances Carried Forward	87880	104315	16,436	19	Increase in reserves to cover village projects +£2000 legal fees for lease renewals
8 Total Cash & short term investments	88560	104315	15,755	18	Increase in reserves to cover village projects
Total Fixed Assets plus other long term					
9 investments & assets	292313	292313	0	0	
10 Total Borrowings	24658	20931	-3,727	-15	Early repayment of a PWLB loan in 2018 £4911

Reconciliation between box 7 & box 8 in section 2

Sedlescombe Parish Council

Box 7 : Balances carried forward 104315

Deduct Debtors (VAT) 0

Deduct Payments made in advance 0

0

Total deductions 104,315

Add Creditors 0

Add receipts in advance 0.00

Total Additions 104,315

Box 8 : Total cash and short term investments 104315

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

Name of smaller authority: **Sedlescombe Parish Council**

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

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

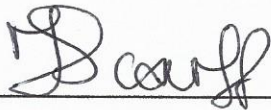
Commencing on Monday 24<sup>th</sup> June 2019

and ending on Friday 2<sup>nd</sup> August 2019

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2019 (i.e. Monday 1 July – Friday 12 July).

We have suggested the following dates: Monday 17 June – Friday 26 July 2019. The latest possible dates that comply with the statutory requirements are Monday 1 July – Friday 9 August 2019.)

Signed: \_\_\_\_\_



Jackie Scarff.

Role: RFO

**This form is only for use by smaller authorities subject to a review:**

Please submit this form to PKF Littlejohn LLP with the AGAR Part 3 and other requested documentation – this form is not for publication on your website.