

## Guidance notes for Parish Meetings on completing Part 2PM of the Annual Governance and Accountability Return (AGAR) 2020/21, Sections 1 and 2

- A Parish Meeting that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting held between **1 April and 30 June 2021**. It should not submit its AGAR to the external auditor.
- The Certificate of Exemption should be returned to the external auditor **no later than 30 June 2021**. Reminder letters will incur a charge of £40 +VAT.
- The Parish Meeting **must** comply with *Proper Practices* in completing Sections 1 and 2 of its AGAR 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 Parish Meeting **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the accounts (Section 2) and evidenced by the agenda or minute references.
- The Chairman must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The Chairman is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. Avoid making amendments to the completed annual return. Any amendments must be approved by the Parish Meeting and properly initialled.
- Use the checklist provided below to review the AGAR for completeness at the meeting at which it is signed off.
- **You must inform your external auditor about any change of Chairman, and provide a relevant email address and telephone number.**
- The Parish Meeting must publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide\** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- The Chairman, on behalf of the Parish Meeting, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The Parish Meeting **must** publish on a suitable website or publicly display in the local area 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 2021.

| 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 for publication?   | ✓   |    |
| Section 2  | Has the Parish Meeting'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 or displayed?   | ✓   |    |
|  | 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? | ✓   |    |

**\*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)

# Moreton Valence Parish Meeting

|   | Year ending           |                       | Notes and guidance  |
|---|-----------------------|-----------------------|---|
|   | 31 March<br>2020<br>£ | 31 March<br>2021<br>£ |   |
| 1. Balances brought forward                       | 12 387                | 13 748                | 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                                    | 7000                  | 7000                  | Total amount of precept received or receivable in the year. Exclude any grants received.  |
| 3. (+) Total other receipts                       | 5412                  | 163                   | Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received.   |
| 4. (-) Staff costs                                | 2211                  | 2020                  | 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 Parish Meeting's borrowings (if any).   |
| 6. (-) All other payments                         | 8840                  | 1142                  | 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                   | 13 748                | 17 749                | 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 | 13 748                | 17 749                | 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  |                       |                       | "The value of all the property the Parish Meeting owns – it is made up of all its fixed assets and long term investments as at 31 March."   |
| 10. Total borrowings                              |                       |                       | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).  |

I certify that for the year ended 31 March 2021 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 Parish Meeting.

Signed by the Chairman before being presented to the Parish Meeting for approval

*M. Smith*

Date 27<sup>th</sup> May 2021

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

27<sup>th</sup> May 2021

as recorded in minute reference:

44 d,

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

*M. Smith*

# Annual Internal Audit Report 2020/21

MORETON VALENCE PARISH COUNCIL

www.leominstertowncouncil.gov.uk

moretonvalencepc@yahoo.co.uk

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 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   | Yes |    |             | No  |    |             | Not covered |    |             |
|--|-----|----|-------------|-----|----|-------------|-------------|----|-------------|
|  | Yes | No | Not covered | Yes | No | Not covered | 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 bank account reconciliations were properly carried out during the year.  | ✓   |    |             |     |    |             |             |    |             |
| 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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")  | /   |    |             |     |    |             |             |    |             |
| L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.   | /   |    |             |     |    |             |             |    |             |
| M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).                    | ✓   |    |             |     |    |             |             |    |             |
| N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).   | /   |    |             |     |    |             |             |    |             |
| <b>O. (For local councils only)</b><br>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

12 JUNE 2021

Name of person who carried out the internal audit

IAN A. SEWELL

Signature of person who carried out the internal audit



Date 12 JUNE 2021

\*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)

## Certificate of Exemption – AGAR 2020/21 Part 3PM

To be completed by all Parish Meetings that neither received gross income nor incurred gross expenditure exceeding £25,000 in the year of account ended 31 March 2021, 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 Parish Meeting has certified itself as exempt at a Parish Meeting held between **1 April and 30 June 2021** and a completed Certificate of Exemption is submitted no later than **30 June 2021** notifying the external auditor.

Moreton Valence Parish Council meeting

certifies that during the financial year 2020/21, the higher of the Parish Meeting's total gross income for the year or total gross annual expenditure for the year did not exceed **£25,000**

Total annual gross income for the Parish Meeting 2020/21: 7162

Total annual gross expenditure for the Parish Meeting 2020/21: 3162

There are certain circumstances in which an Parish Meeting will be unable to certify itself as exempt, so that a limited assurance review will still be required. If a Parish Meeting 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 3PM 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:

- This parish has no Parish Council
- The authority was in existence on 1st April 2017
- In relation to the preceding financial year (2019/20), the external auditor **has not**:
  - issued a public interest report in respect of the Parish Meeting or any entity connected with it
  - made a statutory recommendation to the Parish Meeting
  - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and 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 Parish Meeting 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, and Annual Accounting Statements still need to be fully completed and, along with a copy of this certificate and notice of the period for the exercise of public rights, published on a suitable website or be publicly displayed in the local area before 1 July 2021. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by Chairman

*Morton*

I confirm that this Certificate of Exemption was approved by this Parish Meeting on this date:

27<sup>th</sup> May 2021

Email

morton.valence.pc@yahoo.co.uk

Date 27<sup>th</sup> May 2021

as recorded in minute reference:

27<sup>th</sup> May 2021

Telephone number

07968 724143

Place where this Certificate of Exemption is published or displayed (e.g. Parish Notice Board, Newsletter, Village website, etc.)

www.moretonvalence-pc.gov.uk

**ONLY a copy of 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 but no later than 30 June 2021. Reminder letters incur a charge of £40 +VAT.**

# Part 2PM Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

Moreton Valence Parish Meeting

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 2021, that:

|  | Agreed |    | *Yes' means that this Parish Meeting:   |
|--|--------|----|---|
|  | 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 Parish Meeting 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 Parish Meeting's accounts.  |
| 5. We carried out an assessment of the risks facing this Parish Meeting 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 met the needs of this Parish Meeting. |
| 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 Parish Meeting 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.                                       |

\*For any statement to which the response is 'no', an explanation must be published or displayed

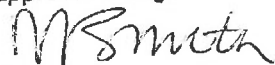
This Annual Governance Statement was approved at a Parish Meeting on:

27<sup>th</sup> May 2021

and recorded as minute reference:

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



Chairman

**APPENDIX TO THE STATEMENT OF ACCOUNTS  
MORETON VALENCE PARISH MEETING  
BANK RECONCILIATION**

**2020-2021**

|                          |                    |
|--------------------------|--------------------|
| Opening Balance          | 13,748.04          |
| Receipts during the year | <u>7,162.68</u>    |
|                          | 20,910.72          |
| Payments during the year | 3,161.88           |
| Closing Balance          | <u>£ 17,748.84</u> |

Represented by the bank accounts as under:-

|                  |        |          |                  |
|------------------|--------|----------|------------------|
| Barclays Current | 665312 |          | 17,961.14        |
| u/p cheque       | 593    | 62.70    |                  |
|                  | 589    | 74.80    |                  |
|                  | 592    | 74.80    | 212.30           |
|                  |        | <u>£</u> | <u>17,748.84</u> |

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STATEMENT OF ACCOUNTS  
MORETON VALENCE PARISH MEETING  
INCOME AND EXPENDITURE

2020-2021

|                                     | Last Year | This Year |
|-------------------------------------|-----------|-----------|
| 1 Balances brought forward          | 12,387    | 13,748    |
| 2 Annual Precept                    | 7,000     | 7,000     |
| 3 Other Receipts                    | 5,412     | 163       |
| 4 Staff Costs                       | 2,211     | 2,020     |
| 5 Loan interest and Capital Repayts |           |           |
| 6 Total Other Payments              | 8,840     | 1,142     |
| 7 Balance carried forward           | 13,748    | 17,749    |
| 8 Total Cash & Investments          | 13,748    | 17,749    |
| 9 Total Fixed Assets                |           |           |
| # Total Borrowings                  |           |           |