

Part 2PM Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

MORETON VALENCE 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 2020, 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:

29/09/2020

and recorded as minute reference:

20/116 C

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

Chairman

M Smith

REQUIRED

Annual Internal Audit Report 2019/20

MORETON VALENGE PARISH MEETING

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 operation **during** the financial year ended 31 March 2020.


The internal audit for 2019/20 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 core objectives were being achieved throughout the financial year to a standard adequate to meet 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 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 ACAR tick 'not covered')	✓		
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		

M. (For local councils only)	Yes	No	Not applicable
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 need

Date(s) internal audit undertaken

12 JULY 2020


Name of person who carried out the internal audit

IAN A. SECKIAR FCA

Signature of person who carried out the internal audit

Date 12 JULY 2020

*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).

Certificate of Exemption – AGAR 2019/20 Part 2PM

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 2020, 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 2020 and a completed Certificate of Exemption is submitted no later than 30 June 2020 notifying the external auditor.

MORETON VALENCE PARISH COUNCIL MEETING

certifies that during the financial year 2019/20, 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 2019/20:

12412

Total annual gross expenditure for the Parish Meeting 2019/20:

11051

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 2016
- In relation to the preceding financial year (2018/19), 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 or displayed before 1 July 2020. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by Chairman

Date

M Smith

28/09/20

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

29/09/20

as recorded in minute reference:

20/116 d

Email

Telephone number

moretonvalencepc@yahoo.com

07968 724143

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 2020. Reminder letters incur a charge of £40 +VAT.

Guidance notes for Parish Meetings on completing Part 2PM of the Annual Governance and Accountability Return 2019/20, 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 2020. It should not submit its Annual Governance and Accountability Return to the external auditor.
- The Certificate of Exemption should be returned to the external auditor no later than 30 June 2020. 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 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 Parish Meeting **should** receive and note the annual internal audit report before approving the annual governance statement and the accounts.
- Make sure that the Annual Governance and Accountability Return 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 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 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 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Chairman, on behalf of the Parish Meeting, **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 is set **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 Parish Meeting **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 2020.

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

**MORETON VALENCE PARISH MEETING
REPORT OF THE INDEPENDENT INTERNAL AUDITOR
FOR THE YEAR ENDED 31 MARCH 2020**

I have examined the books and records of the Council as at 31 March 2020
While i have not performed an audit I can confirm that the attached statements are
in accordance therewith and comply with all the requirements stipulated by the
Accounts and Audit Regulations 2011 and CIPFA guidelines


Iain Selkirk FCA
Appointed Independent Internal Auditor

Malvern
July

Worcester
2020

**INDEPENDENT INTERNAL AUDITOR'S REPORT TO THE MEMBERS OF
MORETON VALENCE PARISH MEETING
YEAR ENDED 31ST MARCH 2020**

I have examined the Council's records in the areas delineated in the attached schedule and made enquiries as deemed appropriate.

In my opinion the systems of internal controls is adequate for the purpose intended and there are no matters to be brought to your attention.


Iain Setkirk FCA

Appointed Independent Internal Auditor

13.07.20

**AUDITORS REPORT TO THE MEMBERS OF:-
MORETON VALENCE PARISH MEETING**

31.03.20

	COMMENTS
1 a	Y Is the cashbook maintained and up to date
b	Y Is the cashbook arithmetic correct
c	Y Is the cashbook regularly balanced and reconciled to the bank
2 a	Y Have Standing Orders and Financial Regulations been formally adopted
b	Y Are Standing Orders and Financial Regulations regularly reviewed
c	Y Has an RFO been appointed with specific duties
d	Y Have items or services above a de minimis amount been competitively purchased
e	Y Has the Clerk authority to spend in emergencies From what level are quotes required From what level are tenders required
3 a	Y Are payments in the cashbook supported by invoices, authorised and minuted
b	Y Has VAT on payments been identified, recorded and reclaimed
c	Y Is S137 expenditure separately recorded and within statutory limits
d	Y Is S137 expenditure separately minuted as such
e	Y Is the signing authority two or more councillors
f	Y Is the Clerk a signatory
g	Y Are the counterfoils initialed by the signatories
h	Y Are invoices vouched to payments
4 a	Y Is there a procedure in place for the regular audit of internal controls
b	Y Has a member of the Committee been appointed internal auditor
c	Y Does he have a specific programme and does he report to meetings
5 a	N Does scanning of the minutes identify any unusual activity
b	Y Is the annual risk assessment minuted
c	Y Is insurance cover appropriate and adequate
d	Y Are internal financial controls documented and regularly reviewed.
6 a	Y Has the Council prepared an annual budget in support of its precept
b	Y Is actual expenditure against budget regularly reported to the Council
c	N Are there any significant unexplained variances from budget

- 7 a Y Is income properly recorded and banked as promptly as possible
b Y Does the precept recorded in the cash book agree to the District Councils notification
c N/A Where income is raised by rental or lettings has the VAT position been clarified
d N/A Are security controls over cash adequate and effective
- 8 a N/A Is petty cash spent recorded and supported by VAT invoices/receipts
b N/A Is petty cash expenditure reported to each Council meeting
c Y Is petty cash expenditure reimbursed regularly
d Y Or does the Clerk present petty cash with her expenses supported by VAT invoices/receipts
- 9 a Y Do salaries paid agree to with those approved by the Council
b Y Has PAYE/NIC been properly operated by the Council as employer
c Y Are other payments to the Clerk and staff reasonable and approved by the Council
d N/A Where PAYE/NIC is not operated due to the low salary level has HMRC been informed
- 10 a Y Does the Council maintain an Asset Register of all material assets owned
b Y Is the Register up to date
c Y Do the values agree to insurance valuations
d N/A Are movements in Treasury Deposits accurately recorded
- 11 a Y Is each bank account reconciled on a regular basis
b N Are there any unexplained balancing entries in any reconciliation
- 12 a Y Are accounts prepared on the correct accounting basis
b Y Do the accounts reflect the cashbook entries
c Y Is there an audit trail from the underlying financial records to the accounts
d Y Where appropriate have debtors and creditors been properly recorded
- 13 a Y Are minutes signed, initialled and pages sequentially numbered
b N/A Do Burial receipts agree to the attendant Burial records
c N/A Are rights or permissions properly recorded
- 15 a N/A Any evidence of fraudulent activity should be brought to the attention of the Chairman
- 16 Y Town Trust ND Playing Field Trust

**MORETON VALENCE PARISH MEETING
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

	£	2019
RECEIPTS		
Precept	7,000.00	5,500.00
CCTV	5,000.00	1,000.00
Verges	412.21	
VAT Recovered		140.12
	<u>12,412.21</u>	<u>6,640.12</u>
PAYMENTS		
Staff Salary	2,211.46	1,969.32
Administration	560.00	749.43
Grass Cutting	360.62	294.36
Bus Shelter		127.00
Insurance		218.00
Website	168.00	129.20
CCTV	7,200.00	
St sStephens	400.00	
Audit	100.00	
Subscriptions	51.28	
VAT		58.88
	<u>11,051.36</u>	<u>3,546.19</u>
Surplus/Deficit for the Year	1,360.85	3,093.93
Balance brought forward	12,387.19	9,293.26
	<u>£ 13,748.04</u>	<u>£ 12,387.19</u>
 REPRESENTED BY:		
Barclays	23610276	13,748.04
		12,387.19
	<u>£ 13,748.04</u>	<u>£ 12,387.19</u>

Chairman

RFO

Date

**MORETON VALENCE PARISH MEETING
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

	£	2019
RECEIPTS		
Precept	7,000.00	5,500.00
CCTV	5,000.00	1,000.00
Verges	412.21	
VAT Recovered		140.12
	<u>12,412.21</u>	<u>6,640.12</u>
PAYMENTS		
Staff Salary	2,211.46	1,969.32
Administration	560.00	749.43
Grass Cutting	360.62	294.36
Bus Shelter		127.00
Insurance		218.00
Website	168.00	129.20
CCTV	7,200.00	
St sStephens	400.00	
Audit	100.00	
Subscriptions	51.28	
VAT		58.88
	<u>11,051.36</u>	<u>3,546.19</u>
	1,360.85	3,093.93
Surplus/Deficit for the Year	12,387.19	9,293.26
Balance brought forward	<u>£ 13,748.04</u>	<u>£ 12,387.19</u>
 REPRESENTED BY:		
Barclays	23610276	13,748.04
	<u>£ 13,748.04</u>	<u>£ 12,387.19</u>

Chairman

RFO

Date