

Certificate of Exemption – AGAR 2019/20 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 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 authority has certified itself as exempt at a meeting of the authority after 31 March 2020 and a completed Certificate of Exemption is submitted no later than 30 June 2020 notifying the external auditor.

DEFFORD & BESFORD PARISH COUNCIL

certifies that during the financial year 2019/20, the higher of the authority'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 authority 2019/20: £14,660

Total annual gross expenditure for the authority 2019/20: £14,023

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 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 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notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice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under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration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, 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 2020. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer



Date

22/07/2020

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

22/07/2020

Signed by Chairman



Date

25/07/2020

as recorded in minute reference:

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Email of Authority

deffordclerk@yahoo.com

Telephone number

01386 552233

*Published web address

www.deffordbesfordpc.org

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, but no later than 30 June 2020. Reminder letters incur a charge of £40 +VAT

Annual Internal Audit Report 2019/20

DEFFORD & BESFORD 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 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 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.	n/a		
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 AGAR tick "not covered")	n/a		
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) 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).

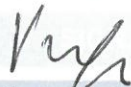
Date(s) internal audit undertaken

19-21 July 2020

Name of person who carried out the internal audit

PETER CHARLES DANN

Signature of person who carried out the internal audit



Date

21 July 2020

*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 2019/20

We acknowledge as the members of:

DEFFORD & BESFORD 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 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.

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

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

22/07/2020

and recorded as minute reference:

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(b) (iii) Annual Governance Statement

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

Chairman

Clerk

Section 2 – Accounting Statements 2019/20 for

DEFFORD & BESFORD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	18,862	19,386	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	9,326	9,466	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	11,335	5,194	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	3,144	4,636	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 authority's borrowings (if any).
6. (-) All other payments	16,993	9,387	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	19,386	20,023	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	19,386	20,023	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	33,626	34,658	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	0	0	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.

I certify that for the year ended 31 March 2020 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

m7app
Date 22/07/2020

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

22/07/2020

as recorded in minute reference:

Ag 2020/10 Item 5 Finance
(b) (iv) Accounting Statements

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

D. Clarke

Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It must agree to the headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a reconciling basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative figures.

Name of smaller authority:

County area (local councils and parish meetings only):

Financial year ending 31 March 20xx

Prepared by (Name and Role):

Date: 05/06/2020

Balance per bank statements as at 31/3/xx:

	£	£
Current Account	<input type="text" value="16447.21"/>	
Deposit Account	<input type="text" value="4055.29"/>	<input type="text" value="20502.50"/>

Petty cash float (if applicable)

Less: any unpresented cheques as at 31/3/2020 (enter these as negative numbers)

Cheque Number	
1174	<input type="text" value="-177"/>
1175	<input type="text" value="-264"/>
1177	<input type="text" value="-16"/>
1180	<input type="text" value="-22.75"/>
	<hr/>
	<input type="text" value="-479.75"/>

Net balances as at 31/3/xx (Box 8)

Risk Scenario	Severity	Probability	Mitigating Actions taken to date	Further Mitigating Actions to be taken
That the Parish Council's decisions are unlawful or lack propriety.	Low	Low	<ul style="list-style-type: none"> a) Councillors keep themselves aware of their responsibilities and authority by appropriate training, reading and consultation. b) Councillors follow the Code of Conduct adopted 22nd January 2020 c) All decisions are reached, and actions approved, at Council d) Appropriate advice is obtained from Local Authority Staff and representatives when required. 	None
That the Parish Council's assets, in particular its financial assets, not safeguarded.	Low	Low	<p>Proper financial Internal Controls are in place, in particular:</p> <ul style="list-style-type: none"> a) Proper Books of Account are kept by the Clerk. b) All significant transactions are made through a single Bank Account, Paragraphs a and b also apply separately to the books and bank account of the Playground Account. c) Payments are made by cheque, which are only valid when signed by two people: any two Councillors.. d) At each Council Meeting the Clerk presents an up-to-date statement of the financial affairs of the Council e) Annual Accounts for the whole Council are drawn up, publicised and approved, as soon as practicable after the end of the financial year. 	None
That the Parish Council held liable to others in the case of death, injury or damage, particularly: <ul style="list-style-type: none"> a) In connection with the playground, and b) when running or supporting public events. 	High	Low	<ul style="list-style-type: none"> a) Appropriate advice is obtained from Local Authority Staff and representatives when required. b) the Parish Council holds Public Liability and Employers Liability insurance to cover loss in respect of the Council's assets, and death, injury or damage for which the Council is responsible - and to pay relevant legal expenses. ELI cover extends to those volunteering on behalf of the Parish Council c) Regular and documented inspections (including an annual independent ROSPA inspection) are made of the playground, and prompt action is taken to deal with potential dangers. d) Lengthsman's work periodically reviewed and priorities agreed 	Re b) ensure that terms of PLI/ELI insurance are observed e.g. register of volunteers for specific events and restrictions on activity complied with.

DEFFORD & BESFORD PARISH COUNCIL – LENGTHSMAN RISK ASSESSMENT

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify any and all potential inherent risks. The Parish Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. This document has been produced to enable Madresfield Parish Council to assess the risks that its Lengthsman Contractor faces and satisfy itself that it has taken adequate steps to minimise them.

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Review/Assess/Revise
Working on or near Highway	Slips, trips, falls Collision with motor vehicles	L L	Ensure correct PPE worn and in good condition. Appropriate footwear. Hi Viz jacket to be worn. Vehicle parked at suitable position and road warning signs positioned at suitable locations. Work to be carried out only on highways conforming with WCC guidance.	Regular training with WCC Highways
Use of Power Tools	Injury to self and public.	L	Correct PPE to be worn when operating power tools. Appropriate training to have taken place as necessary. Warning signs positioned at suitable locations.	Regular training with WCC Highways
Competency	Inappropriate actions.	L	Regular training with WCC Highways Department.	Review with annual contract for services.
Covid 19	Health and well being of Lengthsman and/or general public compromised by transference of virus.	L	Ensure Lengthsman is lone working. Only essential tasks to be performed. Ensure social distancing takes place. If deemed appropriate additional PPE to be worn – face masks, eye protectors, nitrile gloves (or alternative). No contact to be made with members of the public. If hand washing facilities are not available then hand sanitizers should be use as appropriate. If Lengthsman becomes unwell with a new continuous cough or a high temperature they must self isolate immediately and notify the Clerk who will undertake an assessment of any further action required to ensure public safety. Ensure the Lengthsman advises someone where he is working and when works are finished.	Re assess when government advice on dealing with virus alters.
Insurance	Claims	L	Ensure Lengthsman has appropriate Public Liability Insurance	Review with annual contract for services.

ASSET REGISTER 2019/20

8 x benches: Spring Bank, Defford; Village Hall, Defford; 5 x Millennium Green	523.75
8 x street lights	2911.84
Land off Harpley Road - currently used as car park	5685.45
Land off Church Lane known as Millennium Green	
2 x bus shelters	5604.65
Vehicle height restriction - Harpley Road	1320.64
Set of goal posts at Millennium Green	250.00
Timber team sswing and play surfacing - Millennium Green	3195.00
War Memorial - Church Lane	4151.95
Domesday Book (Worcs)	205.99
Archive materials: letters, post cards, photo, typewriters, model railway carriages	1116.69
Display case for archive materials	200.00
General litter bins	1950.00
3 x dog waste bins (2 new ones)	1316.00
1 x parish grit bin next to Vicarage Cottage, Harpley Road	131.00
2 x notice boards	903.00
New play equipment	5190.02
2 X phone boxes	2.00
Village Hall Car Park	Unable to Value
	34657.98

Explanation of variances – pro forma

Name of smaller authority: **Derford & Blesford Parish Council**
 County area (local councils and Worcestershire)

Insert figures from Section 2 of the AGAR in all **Blue highlighted boxes**

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).

	2018/19 £	2019/20 £	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	19,862	19,386					
2 Precept or Rates and Levies	9,326	9,466	140	1.50%	NO		
3 Total Other Receipts	11,335	5,194	-6,141	54.18%	YES		2018/19 - NHB Grants for Play equipment and car park re-surface. 2019/20 £2716 Previously unclaimed VAT
4 Staff Costs	3,144	4,636	1,492	47.46%	YES		2019/20 - Change of Clerk. Additional hours and handover period
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	16,993	9,387	-7,606	44.76%	YES		2018/19 - Playground equipment and car park re-surface
7 Balances Carried Forward	19,386	20,023				VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES	
8 Total Cash and Short Term Investments	19,386	20,023			YES	VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	33,626	34,658	1,032	3.07%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
Earmarked reserves:			
Church Wall	10000		
Election Reserve	1000		
VH Car Park	1418		
		<u>12418</u>	
General reserve		<u>7605</u>	
		0	
Total reserves (must agree to Box 7)			<u><u>20023</u></u>