

To be completed only by 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 2017/18

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;

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

a) **Certificate of Exemption**, page 3 and returns it to the external auditor

b) **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 by the authority.

• **Section 2 – Accounting Statements (page 6)** to be completed by the authority.

3. The authority **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved **before 2 July 2018**.

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 2017/18**, page 4

• **Section 1 – Annual Governance Statement 2017/18**, page 5

• **Section 2 – Accounting Statements 2017/18**, 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, ie not complete** Certificate of Exemption, but complete Part 3 of the Annual Governance and Accountability Return 2017/18 and return it to the external auditor for review.

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 Local Audit and Accountability Act 2014.

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2017/18, Sections 1 and 2

- Where an authority is exempt from the requirement for a limited assurance review, it need 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 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 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 4**, should a question be raised by a local elector. 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 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- 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 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.

Completion checklist – 'No' answers mean you may not have met requirements			
Yes	No		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Have all highlighted boxes been completed?	All sections
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Have the dates set for the period for the exercise of public rights been published?	Internal Audit Report
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Have all highlighted boxes have been completed by the internal auditor and explanations provided?	Section 1
<input checked="" type="checkbox"/>	<input type="checkbox"/>	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
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	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?	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	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?	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Trust funds – have all disclosures been made if the authority is a sole managing trustee?	Sections 1 and 2

*More guidance on completing this annual return is available in *Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, which can be downloaded from www.naic.gov.uk or from www.sicc.co.uk or from www.ada.org.uk

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

STOKE BLISS, KYRE AND BOCKLETON 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 2018, that:

Agreed		Yes	No
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.		<input checked="" type="checkbox"/>	
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.		<input checked="" type="checkbox"/>	
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.		<input checked="" type="checkbox"/>	
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.		<input checked="" type="checkbox"/>	
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.		<input checked="" type="checkbox"/>	
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.		<input checked="" type="checkbox"/>	
7. We took appropriate action on all matters raised in reports from internal and external audit.		<input checked="" type="checkbox"/>	
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.		<input checked="" type="checkbox"/>	
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.		<input checked="" type="checkbox"/>	

Agreed		Yes	No	N/A
has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.				<input checked="" type="checkbox"/>

This Annual Governance Statement is approved by this authority and recorded as minute reference:

10.5.18 e(1)

dated 14/05/18

Chairman *S. James*
Clerk *S.H.*

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

Section 2 – Accounting Statements 2017/18 for

STOKE BLISS, KYRE AND BOCKLETON PARISH COUNCIL

Notes and guidance	Year ending	
	31 March 2017 £	31 March 2018 £
1. Balances brought forward	940	1406
2. (+) Precept or Rates and Levies	2344	2,874
3. (+) Total other receipts	2245	4,237
4. (-) Staff costs	522	2309
5. (-) Loan interest/capital repayments	0	0
6. (-) All other payments	3601	4357
7. (=) Balances carried forward	1406	1851

8. Total value of cash and short term investments	1406	1851	<i>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.</i>
9. Total fixed assets plus long term investments and assets	0	800	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including FWLB).</i>

11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N.B. The figures in the accounting statements above do not include any Trust transactions.
	✓	No	

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Date 14/05/18

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

14/05/18

and recorded as minute reference:

10/5/18 e (iii)

Signed by Chairman of the meeting where approval of the Accounting Statements is given

B. Forme REQUIRED

Explanation of variances – pro forma

Name of smaller authority: **Stoke Bliss, Kyre and Bockleton Parish Council**

County area (local councils and parish meetings only): **Worcestershire**

Please provide full explanations, including numerical values, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2016/17	2017/18	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 Precept or Rates and Levies	2344	2874	530	22.61	In previous years there has not been a budget review to establish the precept. In 2017/18 a detailed budget forecast was prepared to establish the precept.
Box 3 Total other receipts	2245	4237	1992	88.73	In 2017/18 £1824 received in grants to comply with Transparency. Also VAT reclaimed from June 2014 of £86.
Box 4 Staff costs	522	2309	1787	342.34	In 2016/17 the Parish Council only had a Clerk from April to June. They had no Clerk then until April 2017. The new Clerk had to catch up on all the work from June 2017 to and including year end. Also the clerk applied for grants for a new website in 2017/18 and then provided all the records and uploading necessary for the new website.
Box 5 Loan Interest capital repayments	0	0	0	0	
Box 6 All other payments	3601	4357	756	20.99	In 2017/18 the Parish Council commissioned a new parish council website costing £461.73
Box 9 Total fixed assets & long term investments	0	0	0	0	
Box 10 Total borrowings	0	0	0	0	
Explanation for 'high' reserves (Box 7 is £1851 which is less than £2874 box 2)					

Certificate of Exemption

To be completed only 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 2018, 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 2018 and a completed Certificate of Exemption is submitted notifying the external auditor.

STOKE BLISS, KYRE AND BOCKLETON PARISH COUNCIL

certifies that during the financial year 2017/18, 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 2017/18: 7111

Annual gross expenditure for the authority 2017/18: 6784

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 2014
- In relation to the preceding financial year (2016/17), 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 submitted to the external auditor.

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 2 July 2018. **By signing this certificate you are also confirming that this will be done.**

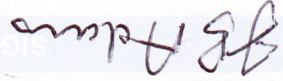
Signed by the Responsible Financial Officer



Date

27/04/18

Signed by Chairman



Date

27/04/18

Email

stokeblissgroupclerk@gmail.com

Telephone number

07903 377066

*Published web address (not applicable to Parish Meetings)

stokeblissgroupparishcouncil.org.uk

This Certificate of Exemption should be returned as soon as possible after certification to your external auditor.