

## Annual Governance and Accountability Return 2019/20 Part 2

To be completed only by Local Councils, Internal Drainage Boards and other 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 2019/20

- 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:
  - does not meet the qualifying criteria for exemption; or
  - does not wish to certify itself as exempt
- Smaller authorities where the higher of all gross annual income or gross annual expenditure does not exceed £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption are able to declare themselves exempt from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review provided the authority completes:
  - The Certificate of Exemption, page 3 and returns a copy of it to the external auditor either by email or by post (not both) no later than 30 June 2020. Failure to do so will result in reminder letter(s) for which the Authority will be charged £40 +VAT for each letter; and
  - The 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 and approved by the authority;
    - Section 2 – Accounting Statements (page 6) to be completed and approved by the authority.

**NOTE:** Authorities certifying themselves as exempt **SHOULD NOT** send the completed Annual Governance and Accountability Return to the external auditor.
- The authority must approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both must be approved and published on a website before 1 July 2020.

### 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 2019/20, page 4
- Section 1 – Annual Governance Statement 2019/20, page 5
- Section 2 – Accounting Statements 2019/20, 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, and not complete the Certificate of Exemption, but complete Part 3 of the Annual Governance and Accountability Return 2019/20 and return it to the external auditor for review together with the supporting documentation requested by the external auditor.

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 the Local Audit and Accountability Act 2014.

Annual Governance and Accountability Return 2019/20 Part 2  
Local Councils, Internal Drainage Boards and other Smaller Authorities

## Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2019/20, Sections 1 and 2

- An authority that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting of the authority after 31 March 2020. It should 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 Certificate of Exemption must be returned to the external auditor no later than 30 June 2020. Reminder letters will incur a charge of £40 +VAT for each letter.
- The authority must comply with *Proper Practices* in completing Sections 1 and 2 of 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 if possible 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 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.
- The authority 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 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 approved 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 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?		
Internal Audit Report	Have the dates set for the period for the exercise of public rights been published?		
	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 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 published?		
Sections 1 and 2	Is an explanation of any difference between Box 7 and Box 8 available, should a trust fund be raised by a local elector and/or an interested party?		
	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? (Local Councils only)		

\* *Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalac.gov.uk](http://www.nalac.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

Annual Governance and Accountability Return 2019/20 Part 2  
Local Councils, Internal Drainage Boards and other Smaller Authorities

**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.

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: £21,048.79

Total annual gross expenditure for the authority 2019/20: £30,368.31

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 24/8/20 I confirm that this Certificate of Exemption was approved by this authority on this date: 24th August 2020

Signed by Chairman Date 24/8/20 as recorded in minute reference: 9. a

Email of Authority: clerk@pcworcestershire.gov.uk Telephone number: 07498 076125

Published web address: http://e-services.worcestershire.gov.uk/MyFacts

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**

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	Achieved? 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 2019/19, 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')	✓		
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.	✓		✓

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: 18/08/2020 Name of person who carried out the internal audit: OLIVER O'KANE

Signature of person who carried out the internal audit: [Signature] Date: 18/08/2020

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

Ripple Park 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 'big fish only'
	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"/>	<input type="checkbox"/>	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control and corruption and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to ensure 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"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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 the smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	discussed 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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:

24<sup>th</sup> August 2020

and recorded as minute reference:

9. a

Chairman  
Clerk

*P. Adams*

Section 2 – Accounting Statements 2019/20 for

Ripple Park Council

	Year ending		Notes and guidance
	31 March 2019	31 March 2020	
1. Balances brought forward	16,217	13760	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.
2. (+) Precept or Rates and Levies	17327	19066	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.
3. (-) Total other receipts	3050	1995	Total amount of precept (or for LDBs rates and levies) received or receivable in the year. Exclude any grants received.
4. (-) Staff costs	6091	6458	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
5. (+) Loan interest/capital repayments	Nil	Nil	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.
6. (-) All other payments	16743	13910	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
7. (-) Balances carried forward	13760	14447	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
8. Total value of cash and short term investments	13760	14447	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
9. Total fixed assets plus long term investments and assets	44818	44818	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.
10. Total borrowings	Nil	Nil	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.
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The outstanding capital balance as at 31 March of all loans from third parties (including PMLB).

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

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

24<sup>th</sup> August 2020

as recorded in minute reference:

9. a

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

Date 24<sup>th</sup> August 2020

*P. Adams*

**RIPPLE PARISH COUNCIL  
NOTICE OF PUBLIC RIGHTS AND PUBLICATION  
OF ANNUAL GOVERNANCE & ACCOUNTABILITY  
RETURN (EXEMPT AUTHORITY)**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**Local Audit and Accountability Act 2014 Sections 25, 26 and 27**

**The Accounts and Audit Regulations 2015 (SI 2015/234)**

**The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)**

NOTICE	NOTES
<p>1. Date of announcement <u>21<sup>st</sup> August 2020</u> (a)</p> <p>2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review. Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2020, these documents will be available on reasonable notice by application to:</p> <p>(b) RIPPLE PARISH COUNCIL CLERK C/O/ GUNNERS WOOD, UCKINGHALL, GL20 6ES Email: <a href="mailto:clerk@rpcworcs.co.uk">clerk@rpcworcs.co.uk</a>. Tel: 07498 076125</p> <p>commencing on (c) <u>Monday 24<sup>th</sup> August 2020</u></p> <p>and ending on (d) <u>Tuesday 6<sup>th</sup> October 2020</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none"> <li>• The opportunity to question the appointed auditor about the accounting records; and</li> <li>• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.</li> </ul> <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (<a href="mailto:sba@pkf-littlejohn.com">sba@pkf-littlejohn.com</a>)</p> <p>5. This announcement is made by (e) <u>V Portch – Clerk Ripple Parish Council</u></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must start on or before 1 September 2020.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>