

Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual Governance and Accountability Return 2017/18 Part 3

To be completed by:

- all smaller authorities* where either the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; and
- any other smaller authorities that either:
 - are unable to certify themselves as exempt; or
 - have requested a limited assurance review.

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practices.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
 - The annual internal audit report is completed by the authority's internal auditor.
 - Sections 1 and 2 are to be completed and approved by the authority.
 - Section 3 is completed by the external auditor and will be returned to 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.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or requesting a limited assurance review, must send to the external auditor:
 - the Annual Governance and Accountability Return Sections 1, 2 and 3, together with
 - a bank reconciliation as at 31 March 2018
 - an explanation of any significant year on year variances in the accounting statements
 - your notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2017/18

Unless requested, do not send any original records to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability Return including **Section 3 – External Auditor Report and Certificate** will be returned to the authority.

Publication Requirements

Smaller authorities with either income or expenditure exceeding £25,000 must publish on a public website, under the Accounts and Audit Regulations 2015, the Annual Governance and Accountability Return:

- **Section 1 – Annual Governance Statement 2017/18**, page 4
- **Section 2 – Accounting Statements 2017/18**, page 5
- **Section 3 – The External Auditor Report and Certificate 2017/18**, page 6
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

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 3 of the Annual Governance and Accountability Return 2017/18

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *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 and the subsequent work by the external auditor.
- 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 Governance and Accountability Return. Any amendments must be approved by the authority, properly initialled and accompanied by an explanation. If the Annual Governance and Accountability Return contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically requested. However, you **must** inform your external auditor about any change of Clerk, Responsible Finance Officer or Chairman, and provide relevant email addresses and telephone numbers.
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (Section 2, page 5). An explanation must be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on page 5. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the explanation.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs will be incurred.
- Make sure that the accounting statements add up and that 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).
- Please enter the authority's name **only** in Section 3 on Page 6. **Do not complete the remainder of that section**, which is reserved for the external auditor.
- 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 it **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 – Has anything been done in any of the highlighted boxes?			
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes have been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', is an explanation provided?	✓	
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 provided?	✓	
	The bank reconciliation as at 31 March 2018 is agreed to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority is a sole managing trustee? NB: do not send trust accounting statements unless requested or instructed.	✓	

*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

Annual Internal Audit Report 2017/18

HESLINGTON 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 2018.

The internal audit for 2017/18 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	Control Objective Status		
	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.			PETTY CASH NOT HELD
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. (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

19/04/18

Name of person who carried out the internal audit

JANET BENNETT
YORKSHIRE INTERNAL AUDIT SERVICES

Signature of person who carried out the internal audit

Janet Bennett

Date

19/04/18

*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 2017/18

We acknowledge as the members of:

HESLINGTON 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' 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.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>	
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>	
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	
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	<i>has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.</i>
			✓	

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

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

dated 15/5/18.
15/5/18.

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

Chairman P. Branley
Clerk RAITH

Other information required by the Transparency Codes (not part of Annual Governance Statement)
Authority web address

www.heslington.org.uk

Section 2 – Accounting Statements 2017/18 for

HESLINGTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	13559	20384	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	13490	14244	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	10642	20254	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	9727	8928	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
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	7580	23325	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	20384	22629	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	20384	22629	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	65660	65660	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 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 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

R. Atter

Date

15/5/18.

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

15/05/18

and recorded as minute reference:

APCM 2018

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

P. Branley

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

HESLINGTON PARISH COUNCIL (REF NY0276)

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2017/18

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:

None

3 External auditor certificate 2017/18

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature



Date

19/09/2018

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Heslington Parish Council

Bank Reconciliation as at 31 March 2018

Balance b/f 01 April 2017	20384.76
Add receipts	34497.54
	<u>54882.30</u>
Less payments	32252.82
Balance c/f	<u>22629.48</u>

Balance at bank and in hand:

Investment account	7215.65
Current account	16063.93
Petty Cash	0.00
	<u>23279.58</u>

Unpresented items:

Ref	Amount			
1741	325.05			
1746	325.05			
		<u>0.00</u>	<u>650.10</u>	<u>22629.48</u>
				0.00

Made up off:

Ring-Fenced Funding:

Transparency Code	836.06
Ring Fence Unspent 2017/18 budget?	<u>836.06</u>

Earmarked Reserves 2018-2019

Article 4 (2) Direction	4000.00
Neighbourhood Planning/Local Plan	4000.00
Meeting Room Refurbishment	4000.00
	<u>12000.00</u>

Parish Council Funds:

General Reserve: Good Practice = 6-18 Months		<u>9793.42</u>
6 Months =	7471.50	
18 Months =	22414.50	
		<u>22629.48</u>

0.00

HESLINGTON PARISH CO JNCIL

RECEIPTS 2017-2018

Inc&Exp 34497.54
S/b Zero 0.00

Date	Payee	Description	Reference Amount	Precept	VAT	Misc	Grants	Transparency Grant	Interest	34497.54
28/04/2017	CYC	Precept	34497.54	14943.00	0.00	1358.50	17955.00	233.83	7.21	0.00
03/05/2017	CYC	Precept	6935.50	6935.50						0.00
13/06/2017	CYC	Ward Grant	476.30	476.30						0.00
04/07/2017	Yorkshire Bank	Interest	991.00			991.00				0.00
04/08/2017	Groundwork UK	NP Grant	3.58						3.58	0.00
14/09/2017	CYC	DT	8070.00			8000.00				0.00
29/09/2017	CYC	Precept	1338.50			1358.50				0.00
02/10/2017	Y/LCA	Precept	7471.50	7471.50						0.00
21/12/2017	CYC	Trans Code	233.83				233.83			0.00
04/01/2008	Yorkshire Bank	Ward Grant	2330.00			2350.00				0.00
23/02/2018	Groundwork UK	Interest	3.63						3.63	0.00
09/03/2018	CYC	NP Grant	4614.00			4614.00				0.00
		Ward Grant	2000.00			2000.00				0.00

HESLINGTON PARISH COUNCIL

PAYMENTS 2017-2018

Ins 506.67 Cler 4107.81 Leughman 4820.31

Date	Payee	Description	Reference	Cheque Amount	Insurance	Cleric	Leughman	Subs	Grants	Maint	Meet Room	Expenses	Audits	Transmits. New Member	NP	Gross Cutting	Whistle	VAT	
				32352.82								173.09	400.00	27.77	3674.02	100.00	1.25	2796.11	
18/04/2017	Fiona Hill	Salary	1690	268.35															
18/04/2017	David Murray	NP Cont Agency	1691	312.00															
18/04/2017	Urban Vitch	Subscrip tion	1692	677.00															
18/05/2017	YLCA	Salary	1693	535.00															
18/05/2017	Fiona Hill	Salary	1694	270.21				525.00											
18/05/2017	David Murray	2016-2017 Grant Returned	1695	325.00															
18/05/2017	Groundwork UK	Subscrip tion	1696	2214.40															
18/05/2017	Contacts	Hearing Loop	1697	10.00															
20/06/2017	Fiona Hill	Salary	1698	1237.95				10.00											
20/06/2017	David Murray	Salary	1699	272.52															
20/06/2017	David Blandford	Printer/Ink etc	1700	338.15															
20/06/2017	P&F Haweswell Ltd	Gross Cutting 2018	1701	24.14															
20/06/2017	Contacts	Hearing Loop	1702	120.00															
20/06/2017	HMRC	PAYE	1703	247.59															
20/06/2017	Tennison Insurance	Insurance	1704	445.80						20.78									
18/07/2017	Fiona Hill	Meeting Room Repairs	1705	596.67															
18/07/2017	David Murray	Salary	1706	2611.20															
18/07/2017	Cancelled	Salary	1708	325.05															
18/07/2017	Yorkshire Internal Audit Services	Internal Audit	1709	300.00															
18/07/2017	Fest Office	NP Business Survey Postage	1710	96.32															
18/07/2017	FocusPrint	NP	1711	180.00															
15/08/2017	Colin Bell	Meeting Room Repairs	1712	192.00															
15/08/2017	Fiona Hill	Meeting Room Repairs	1713	93.60															
15/08/2017	David Murray	Salary	1714	270.36															
15/08/2017	York Print Company	Newsletter	1715	107.00															
19/09/2017	David Murray	Salary	1716	325.05															
19/09/2017	PKF Utilities LLP	External Audit	1717	270.36															
17/10/2017	Fiona Hill	Salary	1718	325.05															
17/10/2017	David Murray	Salary	1719	325.05															
17/10/2017	Heslington Church	Grant	1721	270.36															
17/10/2017	Paul Cox	Dandelion Treatment	1722	335.05															
21/11/2017	Fiona Hill	Cancelled	1723	200.00															
21/11/2017	David Murray	Salary	1724	198.00															
21/11/2017	David Blandford	Printer/Ink etc	1725	270.36															
19/12/2017	Urban Vitch	Neighbourhood Plan	1727	325.05															
19/12/2017	Fiona Hill	Salary	1728	23.39															
19/12/2017	David Murray	Salary	1729	5272.80															
19/12/2017	HMRC	PAYE	1730	270.36															
19/12/2017	TS Cutl	Salary	1731	325.05															
19/12/2017	B&Q	Fire Extinguisher Service	1732	891.60															
18/01/2018	Fiona Hill	Meeting Room Kitchen	1733	60.90															
18/01/2018	David Murray	Salary	1734	2807.50															
16/02/2018	Fiona Hill	Salary	1735	270.36															
16/02/2018	Jack Barber Ltd	Printer/Ink Coat	1736	325.05															
16/01/2018	York Print Company	Website	1737	27.77															
20/02/2018	Urban Vitch	Neighbourhood Plan	1738	1225.00															
20/02/2018	David Murray	Salary	1739	97.00															
20/02/2018	Fiona Hill	Salary	1740	2512.50															
20/02/2018	Fiona Hill	Salary	1741	325.05															
20/02/2018	Fiona Hill	Salary	1742	270.36															
20/02/2018	Fiona Hill	Salary	1743	81.13															
20/02/2018	Richard James Handmade	Laptop/Ink Coat	1744	46.80															
20/02/2018	David Murray	Home Work Allow	1745	984.00															
20/03/2018	Fiona Hill	Meeting Room Kitchen	1746	65.80															
20/03/2018	David Murray	Salary	1747	270.36															
20/03/2018	YLCA	Subscription	1748	555.00															
20/03/2018	HMRC	PAYE	1749	445.80															
20/03/2018	Fiona Hill	Expenses	1750	45.16															
20/03/2018	TG Curt	Fire Extinguisher Service	1751	53.88															

32352.82
507.76
0.00

32352.82
507.76
0.00

32352.82
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0.00

HESLINGTON PARISH COUNCIL

Income and Expenditure Account Year Ending 31 March 2018

31/03/2017		31/03/2018
	Income	
13991.00	Precept	
7904.00	Grants	14943.00
1353.70	Double Taxation	18188.83
76.05	VAT Refunded	1358.50
7.22	Bank Interest	0.00
800.00	Meeting Room Donation	7.21
		0.00
<u>24131.97</u>	Total Income	<u>34497.54</u>
	Expenditure	
489.22	Insurance	
4024.20	Clerk	506.67
5655.71	Lengthsman	4107.81
0.00	Pension	4820.31
10.00	Subscriptions	
800.00	Grants	1090.00
	Website	200.00
	Grass Cutting	1125.00
395.00	Audits	100.00
122.07	Clerks Expenses	400.00
258.00	Newsletter	173.09
1446.11	Maintenance/Repairs	204.00
1662.60	Local Plan/Neighbourhood Plan	205.85
	Transparency Code	9674.02
1724.35	Meeting Room	27.77
719.54	VAT Paid (To Reclaim)	6882.19
		2736.11
<u>17306.8</u>	Total Expenditure	<u>32252.82</u>
<u>6825.17</u>	Surplus/(Deficit)	<u>2244.72</u>

No S137 Expenditure

Date: 15 May 2018