

Local Councils, Internal Drainage Boards and other
Smaller Authorities in England

Annual Governance and Accountability Return 2017/18 Part 1

To be completed only by smaller authorities* that are able to declare that they have had no financial transactions in the year of account 2017/18 and certify themselves exempt from a limited assurance review.

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

Smaller authorities that have had no financial transactions in the year of account 2017/18 **must**

1. Complete the attached certificate, **Certificate of Exemption and Declaration of No Accounts**
2. Return a copy to the external auditor
3. Publicly display or publish a copy of **Certificate of Exemption and Declaration of No Accounts**

However, if the authority cannot complete this Part 1 Certificate of Exemption and Declaration of No Accounts the authority **must** instead complete an Annual Governance and Accountability Return Part 2 or Part 3.

Note

If the authority:

- either received income or incurred expenditure in the year ending 31 March 2018; or
- was issued with a public interest report or received a statutory recommendation in the year ending 31 March 2017; or
- was not in existence before 1 April 2014

then the authority **cannot** complete this Part 1 Certificate of Exemption and Declaration of No Accounts. The authority **must** instead complete Part 2 or Part 3 of the Annual Governance and Accountability Return.

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

Certificate of Exemption and Declaration of No Accounts

To be completed by all smaller authorities that are able to declare that they had no financial transactions in the year of account 2017/18 and certify themselves exempt from a limited assurance review.

ENTER NAME OF AUTHORITY

1. I confirm that the above named smaller authority neither received any income nor incurred any expenditure* and had no financial transactions to record in the books of account in the year ended 31 March 2018.

Yes No

Note – if you answer NO you **must** complete an Annual Governance and Accountability Return 2017/18, either Part 2 or Part 3, and not this certificate.

2. Annual gross income for the authority 2017/18 (if NIL enter 0) 0,000.00
3. Annual gross expenditure for the authority 2017/18 (if NIL enter 0) 0,000.00
4. I confirm that the balance held as at 31 March 2018 is £
(Insert total from all bank statement(s) + petty cash) 0,000.00
5. I note that it is a statutory requirement that local councils, Internal Drainage Boards and other smaller authorities should display or publish a copy of this Certificate to inform local electors that there were no financial transactions during the year ending 31 March 2018.
6. I note that a copy of this certificate must be displayed **before 2 July 2018** and confirm this will be done.

By signing this **Certificate of Exemption and Declaration of No Accounts** you are also 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.

Signed by the Chairman or RFO of the Authority

Date

SIGNATURE REQUIRED

DD/MM/YY

Chairman or RFO of the Authority

ENTER NAME AND ADDRESS
CHAIRMAN OR RFO OF THE AUTHORITY

Telephone number

Email

TELEPHONE NUMBER

EMAIL ADDRESS REQUIRED

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

**PKF Littlejohn LLP (Ref: SBA Team),
1 Westferry Circus,
Canary Wharf, London E14 4HD**

sba@pkf-littlejohn.com

* Income or expenditure includes any items of £1 or more.

Annual Internal Audit Report 2017/18

ENTER NAME OF AUTHORITY

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	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.			
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.			
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.			
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.			
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.			
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.			
H. Asset and investments registers were complete and accurate and properly maintained.			
I. Periodic and year-end bank account reconciliations were properly carried out.			
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.			

K. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

DD/MM/YY

Name of person who carried out the internal audit

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YY

*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:

ENTER NAME OF AUTHORITY

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.			<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:

MINUTE REFERENCE
 dated DD/MM/YY

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

Chairman SIGNATURE REQUIRED
 Clerk SIGNATURE REQUIRED

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

AUTHORITY WEBSITE ADDRESS

Bank reconciliation – pro forma

Name of smaller authority: Henswell Cliff Parish Council

County area (local councils and parish meetings only): Lincolnshire

Financial year ending 31 March 2018

Prepared by T. A BRUGHTON PARISH CLERK (Name and role)

Date _____

Balance per bank statements as at 31 March 2018: £ £

10,008.65

Petty cash float (if applicable)

Less: any un-presented cheques at 31 March 2018

0

Add: any un-banked cash at 31 March 2018

0

Net balances as at 31 March 2018 (Box 8)

10,008.65

The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:

CASH BOOK:

Opening Balance 1 April 2017 (Prior year Box 8)

1581.00

Add: Receipts in the year

25,761.00

Less: Payments in the year

(17,334.00)

Closing balance per cash book [receipts and payments book] as at 31 March 2018 (must equal net balances above – Box 8)

10,008.65

(See [example](#) for guidance if required)

Section 2 – Accounting Statements 2017/18 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	4649	1581	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	8391	10,700	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	8237	15,061	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	3500	3822	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	16196	13512	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	1581	10,009	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	1581	10,009	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	114419	120,919	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.
		X	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

SIGNATURE REQUIRED

Date

DD/MM/YY

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

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

ENTER NAME OF AUTHORITY

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

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2017/18

We certify/do not 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.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

*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)

ANNUAL RETURN - ENGLAND
FOR THE YEAR ENDED 31 MARCH 2018
Hemswell Cliff Parish Council

SECTION 2 - THE STATEMENT OF ACCOUNTS

I certify that the accounts contained in this return present fairly the financial position of the council, are consistent with the underlying financial records and have been prepared on the basis of Income and Expenditure.

Responsible Financial Officer

Date

I confirm that these accounts are approved by the Council and recorded as council minute reference

Dated

Signed on behalf of the above Council (Chair)

Date

	<u>Last Year £</u>	<u>This Year £</u>	<u>General Notes for Guidance</u>
1 Balances brought forward	0	1,581	Total balances & reserves at the beginning of the year as recorded in the Financial Records
2 Annual Precept	0	10,700	Total amount of Precept income received in the year
3 Total other receipts	0	15,061	Total income or receipts as recorded in the cashbook minus the Precept
4 Staff costs	0	3,822	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 expenses
5 Loan interest/Capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on borrowings
6 Total other payments	0	13,512	Total expenditure or payments as recorded in the cashbook minus employment costs (Line 4) and loan / interest expenditure / payments (Line 5)
7 Balances carried forward	0	10,009	Total balances and reserves at the end of the year. [Must equal (1+2+3)-(4+5+6)]
8 Total Cash & Investments	0	10,009	The sum of all current and deposit bank accounts, cash holdings and investments held as at 31 March
9 Total Fixed Assets	0	120,919	The recorded current book value at 31 March of all tangible fixed assets as recorded in the asset register
10 Total Borrowings	0	0	The outstanding capital balances as at 31 March of all loans from third parties (usually PWLB)

The following documents should accompany the accounts when submitted to the auditor:

- * A brief explanation of significant variations from last year to this year in Section 2;
- * Bank Reconciliation as at 31 March

Explanation of variances – pro forma

Name of smaller authority: Henswell Cliff Parish Council

County area (local councils and parish meetings only): Lincolnshire

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	8391	10,700	2309	+27.5	Additional Grounds Maint and recreational play area.
Box 3 Total other receipts	8237	15,061	6824	+82.84	Neighbourhood Plan funding from locality and Awdch for all
Box 4 Staff costs	3500	3822	322	+9	—
Box 5 Loan interest/capital repayments	0	0	0	0	—
Box 6 All other payments	16196	13512	2684	-16.57	Grant funding for Neighbourhood Plan and Maintenance equipment
Box 9 Total fixed assets & long term investments & assets	114,419	120,919	6500	5.68	—
Box 10 Total borrowings	0	0	0	0	—
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end: —				

Contact tel 03457 60 60 60
 see reverse for call times
 Text phone 03457 125 563
 used by deaf or speech impaired customers
www.hsbc.co.uk

Your Statement

Mrs T A Broughton
 Hemswell Cliff Parish Council
 35 St Catherines Grove
 Lincoln
 LN5 8NA



Account Summary	
Opening Balance	3,581.06
Payments In	0.62
Payments Out	0.00
Closing Balance	3,581.68

30 December 2017 to 29 March 2018

International Bank Account Number
 GB11HBUK40220191111299

Branch Identifier Code
 HBUKGB4131T

Account Name
 Hemswell Cliff Parish Council

Sortcode **Account Number** **Sheet Number**
 40-22-01 91111299 64

Your Business Money Manager details

Date	Payment type and details	Paid out	Paid in	Balance
29 Dec 17	BALANCE BROUGHT FORWARD			3,581.06
02 Mar 18	CR GROSS INTEREST TO 01MAR2018		0.62	3,581.68
29 Mar 18	BALANCE CARRIED FORWARD			3,581.68

Information about the Financial Services Compensation Scheme

Your deposit is eligible for protection under the Financial Services Compensation Scheme (FSCS). For further information about the compensation provided by the FSCS, refer to the FSCS website at www.FSCS.org.uk, call into your nearest branch or call your telephone banking service. Further details can be found on the FSCS Information Sheet and Exclusions List which is available on our website (www.hsbc.co.uk).

Credit Interest Rates				Debit Interest Rates	
		balance	AER variable	balance	EAR variable
from	upto	100,000	0.07%	Debit interest	20.97%
	to	250,000	0.11%		
from	to	1,000,000	0.13%		
	over	1,000,000	0.15%		

Your Statement

Mrs T A Broughton
Hemswell Cliff Parish Council
35 St Catherines Grove
Lincoln
LN5 8NA



Account Summary	
Opening Balance	14,542.22
Payments In	0.00
Payments Out	8,115.25
Closing Balance	6,426.97

1 March to 29 March 2018

International Bank Account Number
GB77HBUK40220101111280
Branch Identifier Code
HBUKGB4131T

Account Name
Hemswell Cliff Parish Council

Sortcode **Account Number** **Sheet Number**
40-22-01 01111280 331

Your Community Account details

Date	Payment type and details	Paid out	Paid in	Balance
28 Feb 18	BALANCE BROUGHT FORWARD			14,542.22
01 Mar 18	BP T A BROUGHTON FEB17	199.81		14,342.41
16 Mar 18	CHQ 100631	7,419.60		6,922.81
18 Mar 18	BP HMRC PAYE/NIC CUMB 475PD00711157	50.00		6,872.81
21 Mar 18	BP SMARTWATER HEMSWELL CLIFF PC	118.80		
	BP TOTAL ACCOUNTING PAYROLL	12.00		6,742.01
22 Mar 18	BP MR G M PRESTWOOD HEMSWELL CLIFF PC	27.98		
	BP LALC HEMSWELL CLIFF PC	8.00		6,706.03
28 Mar 18	BP T A BROUGHTON MAR17	29.06		6,676.97
29 Mar 18	BP T A BROUGHTON MAR18	250.00		6,426.97
29 Mar 18	BALANCE CARRIED FORWARD			6,426.97

Information about the Financial Services Compensation Scheme

Your deposit is eligible for protection under the Financial Services Compensation Scheme (FSCS). For further information about the compensation provided by the FSCS, refer to the FSCS website at www.FSCS.org.uk, call into your nearest branch or call your telephone banking service. Further details can be found on the FSCS Information Sheet and Exclusions List which is available on our website (www.hsbc.co.uk).

Contact tel 03457 60 60 60
see reverse for call times
Text phone 03457 125 563
used by deaf or speech impaired customers
www.hsbc.co.uk

1 March to 29 March 2018

Your Statement

Account Name
Hemswell Cliff Parish Council

Sortcode Account Number Sheet Number
40-22-01 01111280 332

Credit Interest Rates	<i>balance</i>	<i>AER</i> <i>variable</i>	Debit Interest Rates	<i>balance</i>	<i>EAR</i> <i>variable</i>
Credit interest is not paid			Debit interest		21.34%