

Smaller authority name: **South Walsham Parish Council**

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

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
1. Date of announcement (a) 28th July 2020 2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review. Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit 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: (b) Aileen Beck (Parish Clerk & Responsible Financial Officer) 3 Broadacres, South Walsham, Norwich NR13 6EJ southwclerk@outlook.com commencing on (c) Thursday 30th July 2020 and ending on (d) Friday 11th September 2020 3. Local government electors and their representatives also have: • The opportunity to question the appointed auditor about the accounting records; and • 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. The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only. 4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is: PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-littlejohn.com) 5. This announcement is made by (e) Aileen Beck RFO SWPC	(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below (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 (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 (d) The inspection period between (c) and (d) must be 30 working days inclusive and must start on or before 1 September 2020. (e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

The [Local Audit and Accountability Act 2014](#) (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act, the [Accounts and Audit Regulations 2015](#) and the [Accounts and Audit \(Coronavirus\) \(Amendment\) Regulations 2020](#) also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. **Legislative changes have been made as a result of the restrictions imposed by the Coronavirus for the 2019/20 reporting year which mean that there is no requirement for a common period for public rights. The period for the exercise of public rights must however commence on or before 1 September 2020.** The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

The right to ask the auditor questions about the accounting records

You should first ask your smaller authority about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The

advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the [Local Audit and Accountability Act 2014](#).

A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication [Local authority accounts: A guide to your rights](#) are available from the NAO website.

If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.

Annual Governance and Accountability Return 2019/20 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

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 and published **before 1 July 2020**.
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 is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2020**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2020
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2019/20

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

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2020 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

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 the Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

- 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 (no highlighted boxes left empty), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the AGAR 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 if possible before approving the annual governance statement and the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2020.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial 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 full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that 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 period 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 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 **before 1 July 2020**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
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 been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	N/A	
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?	✓	
	Has the bank reconciliation as at 31 March 2020 been reconciled 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 as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	N/A	

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2019/20

South Walsham Parish Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Date(s) internal audit undertaken

20/07/20

Name of person who carried out the internal audit

SUSAN LAKE

Signature of person who carried out the internal audit



Date 20/07/20

*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

South Walsham Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

	Agreed		
	Yes	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
			✓

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

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

27/07/2020

and recorded as minute reference:

S-1

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

Chairman

Clerk

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

Authority web address

SouthWalshamPC.norfolkparishes.gov.uk

Section 2 – Accounting Statements 2019/20 for

South Walsham Parish Council

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	82,813	56,153	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	17,916	18,453	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	13,451	13,392	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	5,695	8,900	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	52,332	15,864	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	56,153	63,234	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	56,153	63,234	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	49,314	49,314	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

[Signature]

Date

22/05/2020

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

27/07/2020

as recorded in minute reference:

5.2

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

[Signature]

Section 3 – External Auditor Report and Certificate 2019/20

In respect of

South Walsham Parish Council

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 2020; 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 2019/20

(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 2019/20

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 2020.

*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

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

Bank reconciliation for South Walsham Parish Council for y/e 31 March 2020

Name of smaller authority: South Walsham Parish Council

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

Financial year ending 31 March 2020

Prepared by (Name and Role): Aileen Beck RFO/Clerk

Date: 22/05/2020

	£	£
Balance per bank statements as at 31/3/2020:		
00621042	8,419.79	
01647010	21,424.29	
01460751	31,466.67	
07455911	<u>2,065.93</u>	
		63,376.68
Petty cash float (if applicable)		-
Less: any unpresented cheques as at 31/3/2020		
2090	(123.95)	
2092	<u>(18.95)</u>	
		(142.90)
Add: any un-banked cash as at 31/3/2020		
	<u>-</u>	
		-
Net balances as at 31/3/2020		<u><u>63,233.78</u></u>

Explanation for 'high' reserves - South Walsham Parish Council 31st March 2020

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

	£	£	£
Earmarked reserves:			
Churchyard and Cemetery improvements	31,466.67		
Hewitt flowers account	2,065.93		
Staithe key deposits held	1,075.00		
Elections (due but not billed by LA this year)	1,900.00		
Legal fees reserves	5,000.00		
Speedwatch signs funding (community project)	356.83		
		<u>41864.43</u>	
General reserve	21,369.35		
		<u>21369.35</u>	
Total reserves (must agree to Box 7)			<u><u>63233.78</u></u>

Explanation of variances – South Walsham Parish Council y/e 31st March 2020

Name of smaller authority: **South Walsham Parish Council**
County area (local councils and County area): **Norfolk**

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

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

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

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	82,813	56,153				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	17,916	18,453	537	3.00%	NO		
3 Total Other Receipts	13,451	13,392	-59	0.44%	NO		
4 Staff Costs	5,695	8,900	3,205	56.28%	YES		Council agreed on 18th March 2019 to increase Clerk's hours from 6 per week to 10 (increase of 66% against 2018/2019). Outgoing clerk handover period of 1 month to new clerk (x2 salary payments at appropriate different rates for August 2019)
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	52,332	15,864	-36,468	69.69%	YES		2018/19 saw expenditure including £24,846 on new playground equipment not repeated, nor any other large projects this year. Expenditure 2019/20 of £15,864 comparable to 2018/19 figure (£14,163) taking into account increased working hours of the clerk.
7 Balances Carried Forward	56,153	63,234				VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES	
8 Total Cash and Short Term Investments	56,153	63,234				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	49,314	49,314	0	0.00%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

South Walsham Parish Council Internal Audit

Checklist 2019/20

Name of Council	South Walsham	Name of Clerk:	Aileen Beck
No. of councillors	7	Name of RFO	Aileen Beck
Quorum	3	Precept	£18,453
Electorate		Gross budgeted income	NK

1. Book Keeping

1.1. Ledger maintained and up to date?	Yes		
1.2. Arithmetic correct?	Yes		
1.3. Evidence of Internal Control?	Yes		
1.4. VAT evidence, recording and reclaimed?	Yes		
1.5. Payments in ledger supported by invoices, authorised and minuted? (see schedule)	Yes		
1.6. S137 separately recorded and within limits?			The council has adopted the General Power of Competence as it met the criteria at the time (may 2019) With a change of clerk the criteria will not be met in 2023 unless the clerk has completed and passed her CiLCA
1.7. S137 expenditure of direct benefit to electorate?			N/A

2. Due Process

2.1. Standing Orders adopted since 2013?	Yes		
2.2. Standing Orders reviewed at annual meeting?	N/A		Postponed until next face-to-face meeting due to Covid 19 issues
2.3. Financial Regulations adopted?	Yes		See above
2.4. FRs properly tailored to council?	Yes		Yes
2.5. Equal Opportunities policy adopted?	Yes		
2.6. Adequate internal controls for payments?	Yes		
2.7. List of member interests held?	Yes		
2.8. Agendas signed, informative and displayed with 3 clear days notice?	Yes		Agendas should be dated to confirm this
2.9. Purchase orders raised for all expenditure?			Not Required
2.10. Purchasing authority defined in FRs?	Yes		
2.11. Committee terms of reference exist and have been reviewed?	Yes		These are now in place

3. Risk Management

3.1. Does scan of minutes reveal any unusual activity?		No	
3.2. Annual risk assessment carried out?	Yes		
3.3. Insurance cover appropriate and adequate?	Yes		
3.4. Evidence of annual insurance review?	Yes		
3.5. Internal financial controls documented and evidenced?	Yes		
3.6. Minutes initialled, each page identified and overall signed?	Yes		Only since appointment of new clerk – this should continue
3.7. Regular reporting and minuting of bank balance?	Yes		
3.8. S137 expenditure minuted?		N/A	

4. Budget

4.1. Annual budget to support precept?			Yes
4.2. Has budget been discussed and adopted by council?			See recommendations
4.3. Any reserves earmarked?		No	Although mentioned in the notes!
4.4. Any unexplained variances from budget?		No	
4.5. Precept demand correctly minuted?	Yes		

5. Payroll – Clerk

5.1. Contract of employment?	Yes		
5.2. Tax code issued / contracted out?	Yes		
5.3. PAYE / NI evidence?	Yes		
5.4. Has council approved salary paid?	Yes		
5.5. Other payments reasonable and approved by council?	Yes		

6. Asset Control

6.1. Does council keep a register of all material assets owned?	Yes		
6.2. Is asset register up to date?	Yes		
6.3. Value of individual assets included?	Yes		
6.4. Inspected for risk and up to date inspection records exist	Yes		
6.5. Record of deeds, articles and land register references available?			The asset register supplied does not list any land.

7. Bank Reconciliations

7.1. Is there a bank reconciliation for each account?	Yes		
7.2. Reconciliation carried out on receipt of statement?	Yes		
7.3. Any unexplained balancing entries in any reconciliation?		No	

8. Year End Procedures

8.1. Year end accounts prepared on correct accounting basis?	Yes		
8.2. Bank statements and ledger reconcile?	Yes		
8.3. Underlying financial trail from records to presented accounts?	Yes		
8.4. Where appropriate, debtors and creditors properly recorded?		N/A	
9.5. Has council agreed, signed and minuted sections 1 & 2 of the annual return?			Next Meeting

9. Miscellaneous

9.1. Have points raised at the last audit been addressed?	Yes		Work still needed on budgets
9.2. Has the council adopted a Code of Conduct since July 2012	Yes		
9.3. Is eligibility for General Power of Competence properly evidenced?	Yes		The council has adopted the General Power of Competence as it met the criteria at the time (may 2019) With a change of clerk the criteria will not be met in 2023 unless the clerk has completed and passed her CiLCA
9.4. Are all electronic files backed up?	NK		
9.5. Do arrangements for public inspection of council's records exist?	Yes		
9.6. Arrangements for GDPR in Hand	Yes		
9.7. Transparency Requirements in place		N/A	

Annual Return

Part Completed	Year ending 31 March 2019	Year ending 31 March 2020
1. Balances brought forward	82813	56153
2. Annual precept	17916	18453
3. Total other receipts	13451	13392
4. Staff costs	5695	8900
5. Loan interest/capital repayments	0	0
6. Total other payments	52322	15864
7. Balances carried forward	56153	56153
8. Total cash and investments	56153	63234
9. Total fixed assets and long term assets	49314	49314
10. Total borrowings	0	0

Internal audit carried out by	S Lake	S Lake
Audit type (delete as appropriate)	Annual	Annual
Date 20 th July 2020		

For auditor's use only	
Annual Return Form completed and signed	20 th July 2020
Report/letter sent to council	20 th July 2020

Recommendations

Following the Internal Audit for South Walsham Parish Council I would like to make the following recommendation

- Add date to agendas to confirm three days notice has been given
- As mentioned at the last audit the Parish Council must prepare a budget. This has been actioned for 2020/21, however, there is no mention of the budget on the agenda or in the minutes. Therefore there is no evidence that the council agreed the budget or even saw it! The budget should be agreed and from that the precept sum extracted. The minute should be in the form of

To agree the budget for 2020/21

It was proposed and agreed to accept the budget document. Total expenditure for the year was set at £XX and a precept sum of £YY.

- If land is owned it should be listed on the register at a value of £1 or purchase cost if known. Any land owned should be registered with the Land Registry
- Minute 18 of July 2019 has not been complete
- Minuting of resolution to exclude the public is not correct. The chairman on his own cannot resolve to exclude the public. He can put forward the resolution but it has to be resolved by the council (or a majority)

Sue Lake

20th July 2020