

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 – '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 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.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

Annual Internal Audit Report 2017/18

COUNCIL OF THE PARISH OF ESH

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.	Yes		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		No	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes		
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.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic and year-end bank account reconciliations were properly carried out.		No	
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.	Yes		

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

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

08-11/05/2018

Name of person who carried out the internal audit

ROGER HENWOOD

Signature of person who carried out the internal audit

[Signature]

Date

11/05/18

*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).

Internal Audit Report 2017/2018
The Council of the Parish of Esh
Action Required – Objectives Not Satisfied

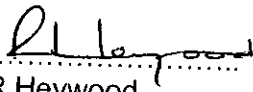
Objective E – Receipt and Recording of Income

A claim must be made to HMRC to recover input VAT paid for 2015/2016, 2016/2017 & 2017/2018. The total refund due is approximately £13,144.

Objective I – Bank Reconciliation

A monthly reconciliation of the two principal bank accounts should be prepared, together with a schedule of payments required, and both presented to council for approval, and then recorded and evidenced in the Minutes.

(see Para 5.2 of Financial Regulations)


.....
R Heywood

11 July 2018
.....
Date

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

THE COUNCIL OF THE PARISH OF ESH

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.		NO	<i>'Yes' means that this authority: 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.	YES		<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.	YES		<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.	YES		<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.	YES		<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.	YES		<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.	YES		<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.	YES		<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
			N/A

*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:

19th JUNE 2018 MINUTE NO' 15

dated 19/06/18

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

Chairman R Menzies

Clerk [Signature]

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

WWW.CDALC.INFO/ESH-PARISH-COUNCIL/

[Signature]

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Section 2 – Accounting Statements 2017/18 for

THE COUNCIL OF THE PARISH OF ESH

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	101,066	110,422	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	77,754	77,754	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	22299	58822	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	21089	14984	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	69,608	78,887	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	110,422	153,127	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	110,422	153,127	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	176,575	184,257	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			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.
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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



Date

24/05/18

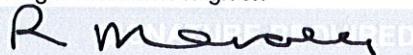
I confirm that these Accounting Statements were approved by this authority on this date:

19/06/18

and recorded as minute reference:

19th June 2018 minute No' 16.

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



THE COUNCIL OF THE DISTRICT OF COLUMBIA

110,433	110,433
11,124	11,124
28,833	28,833
11,084	11,084
0	0
11,884	11,884
123,134	110,442
123,134	110,433
18,452	18,452



11,124

11,124

11,124

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11,124

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

THE COUNCIL OF THE PARISH OF ESH

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)

The Council of the Parish of Esh
Summary of Balances as at 31 March 2018

Current a/c No	a/c No 61050015 00	£23,383.73
Instant Access	a/c No 61050015 50	£125,715.99
Parish Council	a/c No 61050015 56	£189.79
Garage Bond	a/c No 61117246 53	£106.12
No2 Account	a/c No 61005390 56	£874.34
Rec Ground	a/c No 61534010 00	£0.00
LP Youth Partnership	a/c No 6539756 00	£963.73
Petty Cash		£150.00
Debtors	Unpaid Invoices	1743.74
		<u>£153,127.44</u>

Bank Reconciliation - Account 61050015 50

Balance per Statement as at 31 March 2018	£23,128.42
Plus: Outstanding Deposits	<u>£255.31</u>
Reconciled Balance as at 31 March 2018	<u><u>£23,383.73</u></u>

Other Income 2017/18			
	2016/17	2017/18	Variation
	£	£	£ %
Other Income	22,299	58,822	36,523
explained by:			
Increased grant receipts			14,121
Reimbursement of accommodation running costs			20,114
Increased garage rents			3,600
			37,835
			75,670

Fixed Assets 2017/18

Balance brought forward		176,575
Less		
Chrsitmas Lights	8,100	
Christmas Motifs	500	
Control Barriers Christmas	255	
Samsung Laptop Clerk	438	
Dell Desk Top	300	
Samsung Printer	94	
Photocopier	895	
Miscellaneuos equipment, Tables and Chairs	1,275	
Esh Notice Board	513	
Notice Board Quebec	646	
Noticeboard Langley Park	973	
Notice Board Esh Play area	150	
Notice Board Quebec Play Area	150	
Plaques on Trees	6	
4 Dell Vosto Systems	1,596	
1 Dell Syystem	200	
3 Laptops 1000	1,477	
1 HP Printer	86	
1 Jet Printer	200	
5 Computer Desks	200	
5 Computer Chairs	375	
Dell Laptop Clerk	399	
Digital Camera	150	
	<hr/>	18,978
		<hr/>
		157,597
Add		
Esh Play Area and Surfacing	1,506	
Centenary Field Fencing	14,000	
3 Notice Boards	4,874	
Special Back support Chair	283	
Oil Filled Radiator	45	
Lenovo Think Centre Desk Top	802	
Christmas Lights	5,000	
Digital Camera	150	
	<hr/>	26,660
Balance carried forward		<hr/> 184,257

Item	Brought Forward	Disposals	Additions	Carried Forward
Lockup Garage rear of Garden Ave	7,365			7,365
Esh Play Area land	1			1
Esh Play Area Equipment and Surfacing	9994		1,506	11,500
Quebec Play Area land	1			1
Quebec Play Area Equipment	37000			37,000
Langley Park Play Area land SBRP	1			1
Langley Park Play Area Equipment SBRP	84000			84,000
Langley Park Centenary Field, Old Rec land	1			1
Langley Park Centenary Field, Old Rec Fencing	5000		14,000	19,000
Earl of Durham Allotment land	1			1
Crossfell Allotment land	1			1
Esh Village Green	1			1
Ancient Cross at Esh Village	6773			6,773
Christmas Decorations - lights	8100	8,100	5,000	5,000
Christmas Decorations – motifs	500	500		-
Control Barriers	255	255		-
Samsung laptop Clerk	438	438		-
Dell Laptop Clerk	399	399		-
Dell Desk Top	300	300		-
Lenovo Think Centre	0		802	802
Digital Camera	150	150	150	150
Samsung Printer	94	94		-
Photocopier	895	895		-
Miscellaneous Equipment, tables, desks etc	1275	1,275		-
Notice Board 3 Areas			4,874	4,874
Notice Board Esh Play area	150	150		-
Notice Board Quebec play Area	150	150		-
Notice Board Esh	513	513		-
Notice Board Quebec	646	646		-
Notice Board Langley Park	973	973		-
20 seats in various locations throughout the Parish	6300			6,300
Litter Bin Quebec Play Area	100			100
Litter Bin, Front Street Quebec	150			150
Litter Bins Esh Play Area	100			100
Litter Bin, Quebec Car Park	229			229
Litter Bin Langley Park Play Area	229			229
6 Paintings	350			350
Plaques on trees	6	6		-
4 Dell Vosto	1596	1,596		-
1 Dell System	200	200		-
3 Laptops 1000	1477	1,477		-
1 HP Printer	86	86		-
1 Jet printer	200	200		-
5 Computer Desks	200	200		-
5 Computer Chairs	375	375		-
Clerks Back Support Chair	0		283	283
Oil Filled Radiator	0		45	45
	0			-
Totals	176,575	18,978	26,660	184,257

Staff costs 2017/18

	2016/17	2017/18	Variation	
	£	£	£	%
Staff costs	21,089	14,984	6,105	
explained by:				
Parish Clerk	4,869	14,984		
Deputy Parish Clerk	11,742			
IT Officer	3,493			
	20,104	14,984		
<p>In 2016/17 all previous staff either retired or resigned together most elected Members. The Council was reconstituted in November 2016 and a new Parish Clerk appointed in May 2017.</p>				

Balance carried forward

	2016/17 £	2017/18 £	Variation £	%
Balance carried forward	110422	153127	42705	

explained by:

The increase in the balance carried forward is as a result of the additional income received and the reduction in staff costs which have been explained in some detail in the associated variance reports.

However a significant proportion of the balance carried forward has been earmarked for specific projects etc as follows:

Elections - May 2021	2000
Village Centre Improvements	10000
Miners Memorial	2292.5
Play area maintenance etc	20000
Christmas lights	5000
Rent to CISWO	14000
Miners Institute repairs	50000
Emergency/Contingency fund	11000
	114292.5