

# Annual Governance and Accountability Return 2020/21 Part 2

To be completed only by Local Councils, Internal Drainage Boards and other smaller authorities\* where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to CERTIFY themselves as EXEMPT from a limited assurance review

## Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2020/21

1. Every smaller authority in England where the higher of gross income or gross expenditure was £25,000 or less **must**, following the end of each financial year, complete Part 2 of the Annual Governance and Accountability Return in accordance with *Proper Practices*, unless the authority:
  - a) does not meet the qualifying criteria for exemption; or
  - b) does not wish to certify itself as exempt
2. Smaller authorities where the higher of all gross annual income or gross annual expenditure **does not exceed** £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** the authority **completes**:
  - a) The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email or by post (not both) **no later than 30 June 2021**. Failure to do so will result in reminder letter(s) for which the Authority will be charged £40 +VAT for each letter; and
  - b) The **Annual Governance and Accountability Return (Part 2)** which is made up of:
    - **Annual Internal Audit Report (page 4)** must be completed by the authority's internal auditor.
    - **Section 1 – Annual Governance Statement (page 5)** must be completed and approved by the authority.
    - **Section 2 – Accounting Statements (page 6)** must be completed and approved by the authority.**NOTE: Authorities certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.**
3. The authority **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved and published on the authority website/webpage **before 1 July 2021**.

## Publication Requirements

Smaller authorities **must** publish various documents on a publicly available website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:

- **Certificate of Exemption**, page 3
- **Annual Internal Audit Report 2020/21**, page 4
- **Section 1 – Annual Governance Statement 2020/21**, page 5
- **Section 2 – Accounting Statements 2020/21**, page 6
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

## Limited Assurance Review

Any smaller authority may request a limited assurance review. If so, the authority should not certify itself as exempt or complete the Certificate of Exemption. Instead it should complete Part 3 of the AGAR 2020/21 and return it to the external auditor together with the supporting documentation requested by the external auditor. The cost to the authority for the review will be **£200 +VAT**.

Provided that the authority certifies itself as exempt, and completes and publishes the documents listed under 'Publication Requirements', there is no requirement for the authority to have a review.

If it decides to certify itself as exempt, the authority must complete and return the Certificate of Exemption on Page 3 to the external auditor to confirm that it has certified itself exempt.

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 2 of the Annual Governance and Accountability Return (AGAR) 2020/21, Sections 1 and 2

- An authority that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting of the authority after 31 March 2021. It should not submit its Annual Governance and Accountability Return to the external auditor. However, as part of a more proportionate regime, the authority **must** comply with the requirements of the Transparency Code for Smaller Authorities.
- The Certificate of Exemption must be returned to the external auditor no later than **30 June 2021**. Reminder letters will incur a charge of £40 +VAT for each letter.
- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR and the Certificate of Exemption. Proper Practices are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. Avoid making amendments to the completed annual return. Any amendments must be approved by the authority and properly initialled.
- Use the checklist provided below to review the AGAR for completeness at the meeting at which it is signed off.
- **You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- The authority must publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide\** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish, on the authority website/webpage, 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 2021**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
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', is an explanation available for publication?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations from last year to this year been published?	✓	
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? ( <i>Local Councils only</i> )		✓

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



## Certificate of Exemption – AGAR 2020/21 Part 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2021, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the authority has certified itself as exempt at a meeting of the authority after 31 March 2021 and a completed Certificate of Exemption is submitted no later than **30 June 2021** notifying the external auditor.

Harberton Parish Council

certifies that during the financial year 2020/21, the higher of the authority's total gross income for the year or total gross annual expenditure, for the year did not exceed **£25,000**

Total annual gross income for the authority 2020/21: £24,743 R AMOUNT £00,000

Total annual gross expenditure for the authority 2020/21: £19,850 R AMOUNT £00,000

There are certain circumstances in which an authority will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If an authority is **unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Part 3 to the external auditor to undertake a limited assurance review for which a fee of **£200 +VAT** will be payable.

By signing this **Certificate of Exemption** you are confirming that:

- The authority was in existence on 1st April 2017
- In relation to the preceding financial year (2019/20), the external auditor **has not**:
  - issued a public interest report in respect of the authority or any entity connected with it
  - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
  - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
  - commenced judicial review proceedings under section 31(1) of the Act
  - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.


If you are able to confirm that the above statements apply and that the authority neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on the authority website/webpage\* before 1 July 2021.

**By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer

Date



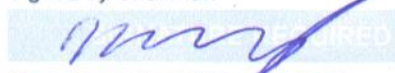
21/4/21

I confirm that this Certificate of Exemption was approved by this authority on this date:

21/04/2021

Signed by Chairman

Date



21/4/21

as recorded in minute reference:

MINUTE REFERENCE

Generic email address of Authority

Telephone number

clerk@harbertonparishcouncil.org GENERIC EMAIL ADDRESS

0845 557 8469 NUMBER

\*Published web address

http://www.harbertonparishcouncil.org/ AVAILABLE WEBSITE/WEBPAGE ADDRESS

**ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor, but no later than 30 June 2021. Reminder letters incur a charge of £40 +VAT**



# Annual Internal Audit Report 2020/21

Harberton Parish Council

ENTER PUBLIC WEBSITE ADDRESS [www.harbertonparishcouncil.org](http://www.harbertonparishcouncil.org)

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 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	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 bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities.	✓		
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (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).

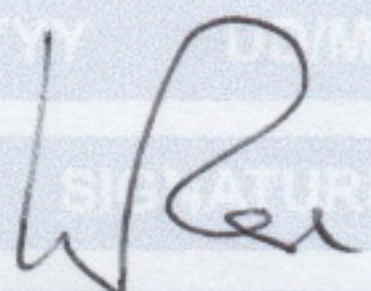
Date(s) internal audit undertaken

26/06/2020

Name of person who carried out the internal audit

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit



Date

01/05/2021

\*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 2020/21

We acknowledge as the members of:

Harberton 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 2021, that:

	Agreed		Yes means that this authority
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.

\*For any statement to which the response is 'no', an explanation must be published

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

04/05/2021

and recorded as minute reference:

10.3.2

MINUTE REFERENCE

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

Chairman

Clerk

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

The authority website/webpage is up to date and the information required by the Transparency Code has been published.

Yes | No

<http://www.harbertonparishcouncil.org/> AVAILABLE WEBSITE/WEBPAGE ADDRESS

## Harberton Parish Council

Published explanation for any statement to which the response is 'no' on the Annual Governance Statement 2020/21

4. *"We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulation".*

The Parish Council ticked 'no' following the instruction of the Internal Auditor.

Whilst the opportunity was provided during the year for the exercise of elector's rights, the Parish Council had provided 31 working days for the accounts to be inspected instead of the 30 working days required and therefore was not in compliance with the regulations.

The error was due to the RFO calculating the period to include a bank holiday in Scotland that was not applicable in England.



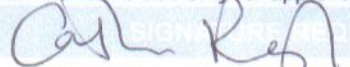
## Section 2 – Accounting Statements 2020/21 for

Harberton Parish Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
<b>1. Balances brought forward</b>	38,673	43,768	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.
<b>2. (+) Precept or Rates and Levies</b>	13,291	16,282	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
<b>3. (+) Total other receipts</b>	16,559	8,461	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
<b>4. (-) Staff costs</b>	5,999	6,753	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.
<b>5. (-) Loan interest/capital repayments</b>	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
<b>6. (-) All other payments</b>	18,756	13,096	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
<b>7. (=) Balances carried forward</b>	43,768	48,661	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
<b>8. Total value of cash and short term investments</b>	43,768	48,661	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
<b>9. Total fixed assets plus long term investments and assets</b>	90,206	90,206	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.
<b>10. Total borrowings</b>	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
<b>11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)</b>	Yes	No	The Council as a body corporate acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	<b>N.B. The figures in the accounting statements above do not include any Trust transactions.</b>

I certify that for the year ended 31 March 2021 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



Date

28/04/2021

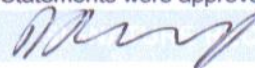
I confirm that these Accounting Statements were approved by this authority on this date:

04/05/2021

as recorded in minute reference:

10.4.3

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



# 2020/21 Explanation of Variances

Name of smaller authority Harberton Parish Council  
County area Devon

Provision of full explanations, including numerical values for

Variances of more than 15% between totals for individual boxes (except variances of less than £200)

Breakdown of approved reserves in the total reserves (Box 7) figure is more than twice the annual precept/rates and levies value (Box 2)

Section 2	2019/20	2020/21	Variance		Explanation required?	Detailed explanation of variance (with amounts £)		
	£	£	£	%		£	Budget heading	Explanation
Box 1 Balances brought forward	38673.35	43767.76	5094.41	13.172921				
Box 2 Precept of Rates and Levies	13291.00	£ 16,282.00	2991.00	22.50	YES	3750.00	Parish Lengthman Project	The precept was further increased in 2020/21 to augment the budget for a lengthsman project. Savings were made within the budget to keep the precept increases to a minimum
Box 3 Total other receipts	16558.84	£ 8,461.05	-8097.79	-48.90	YES	-5656.00	Community Benefit Fund Payments	Community Benefit Fund payments are now out of sequence - 2 payments were made in 2019/20.
						-10.00	Ground Rent	Parish Hall ground rent from 2018-2020 was paid together in 2019/20 year, explaining the variance for 2020/21
						-3114.57	Grant funded projects	2019/20 included a grant payment from Devon Air Ambulance for the Harberton Community Landing Site No significant grants have been received in 2020/21
						-205.00	Council Tax Support Grant	A reduction in grant from the LA
						250.00	COVID grant	Grant for 2020/21 to support COVID projects in the community
						637.78	VAT Reclaim	Difference in VAT reclaimed on the previous year
						-8097.79	Total difference	
Box 4: Staff Costs	5998.97	£ 6,753.46	754.49	12.58	NO			
Interest/capital	0.00	£ -	0.00					
						-174	Room Hire	Meetings held online
						5.9	Subs	Increase in subs
						45.97	Insurance	Increase in insurance for the year
							PCC Grant Harbertonford	2018/19 grant was not drawn down in 2018/19. 2 x grants of £400 were therefore given in 2019/20
						-71.57	Clerk Expenses	Reduction in travel costs due to meetings being online
						265.16	Office Expenses	Increased costs in online meeting software subscription
						240	Professional Fees	2019/20 external audit required and fees paid in 2020/21 year
						215.88	Service Level Agreements: annual maintenance works	New budget line for costs associated to maintenance of community landing lighting
						92	Grasscutting Harbertonford	Increase in bill due to an increase in strimming costs
						54.312	Grasscutting Harberton	Increased annual fee
						24	Playground Inspections	Increased annual fee
						-133.98	Neighbourhood Plan	No activity in the year (COVID)
						-226	Youth Provision	Decrease in contribution made
						522	Ash Die Back Review	New budget line for costs associated with Ash Dieback
						-4248.57	Grant funded projects	Decrease in grant funded projects - 2019/20 included costs of Community Landing Site in Harberton
						-1808.42	Contingency	Contingency costs lower than in 2019/20 when Community Landing site was supported through this line
						365.45	Community Benefit Fund	Increase in grants awarded (although still within budget)
						144	Training reserves	2 new councillors attended training
						756	Parish Defibrillators	Payment made on next 4 year contract
						135.74	Elections	Costs for the election year



Box 6 all other payments	18756.46	£ 13,096.33	-5660.13	-30.18	YES	-1464 <b>-5660.13</b>	Car Park repairs	Project was completed in 2019/20 and no spending in 2020/21
Box 7 Balances carried forward	43767.76	£ 48,661.02	4893.26	11.18	YES		Explanation for High Reserves Box 7 is more than twice Box 2 because the authority held the following reserves at the year end:	
						38166.72	Community Benefit Fund Reserves	
						6750.00	Parish Lengthman Project	
						364.26	Elections	
						100.00	Maintenance reserves	
						150.09	Harbertonford Playgound	
						134.00	COVID grant	
						<b>45665.07</b>	<b>Total earmarked reserves</b>	
						2995.95	General reserves	
Box 8 Total cash and short term investments	43767.76	£ 48,661.02	4893.26	11.18		<b>48661.02</b>	<b>Total reserves</b>	
Box 9: Total fixed assets and Long term investment assets	90205.57	90205.57	0.00	0.00	NO			
Box 10: Total Borrowings	0.00	0.00	0.00					





Cat Radford  
Little Cholwell  
Harbertonford  
Harberton  
Devon  
TQ9 7RZ  
United Kingdom

1st May 2021

Dear Cat,

Further to my Internal Audit visit of the Council in respect of the 2020 Annual Return, I am submitting my report and observations to the Council. As you will notice from the attached Internal Audit Report it was unfortunately necessary to issue a negative response in respect of Control Objective M

#### **Control Objective M**

*“The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)”*

#### **Reason for the negative response Control Objective M**

Regulation 14 of The Accounts and Audit Regulations (2015) sets out the requirements in respect of The Period for the Exercise of Public Rights which must last for a period of 30 working days.

From a review of the Notice for the year 2019-20, published in the summer 2020, it was noted the Period for the Exercise of Public Rights was for 31 working days and thus not in compliance with the Regulations.

#### **Implications in respect of the Annual Return**

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Council will also have to return a negative response in respect of Assertion 4 of the Annual Governance Statement.



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In addition to the Negative Response on the Internal Audit Report we have also responded 'Not Covered' in respect of the Control Objectives F, K and O and we are required to explain why we have done this.

- We have responded 'Not Covered' in response to Objective F as we understand that the Council does not maintain a Petty Cash.
- We have responded 'Not Covered' in response to Objective K is that it is not applicable to your Council as you did not certify yourself as exempt from External Audit for 2019-20.
- We have responded 'Not Covered' in response for Objective O as we understand that the Council does not act as a Trustee.

In addition to this letter and the statutory Internal Audit Report I have also submitted our Internal Audit Observations and Summary to you by email. I would be grateful if you could bring all of these to the Councils attention in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA  
Director



<b>Client</b>	<b>Harburton Parish Council</b>	
<b>Clerk:</b>	Cat Radford	
	<b>Name</b>	<b>Date</b>
Prior Year Audit Signed	Paula Sakalla	26/06/2020
Pre Audit	Andrew Adlam / Alison Gale	01/05/2021
Year End Auditor 1		
Year End Auditor 2	Kevin Rose	01/05/2021
Reviewed by		

Complete  
Yes  
Yes  
No  
Yes  
No

## Internal Audit Summary

Financial Year 2020-21

Year End Audit



### Negative Analysis

Annual Return – Compliance with Requirements		Not checked	Not applicable	Positive	Negative	Statutory Non-Compliance	High	Medium	Low
<b>Box A</b>	<b>Appropriate accounting records have been kept properly throughout the year.</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Accounting system	0	0	2	0	0	0	0	0
	Record keeping	0	0	2	0	0	0	0	0
	Minutes	0	0	1	0	0	0	0	0
	Other		0	0	0	0	0	0	0
<b>Box B</b>	<b>This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</b>	<b>0</b>	<b>10</b>	<b>28</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
	Financial Regulations & Standing Orders	0	0	11	0	0	0	0	0
	RFO	0	0	2	1	0	0	1	0
	Powers	0	2	1	0	0	0	0	0
	Payment Controls	0	5	7	0	0	0	0	0
	Expenditure Controls	0	0	0	1	0	1	0	0
	VAT Compliance	0	0	2	0	0	0	0	0
	Loan Payments	0	1	0	0	0	0	0	0
	Procurement Controls	0	2	2	0	0	0	0	0
	Grants	0	0	3	0	0	0	0	0
	Other		0	0	0	0	0	0	0
<b>Box C</b>	<b>This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Risk	0	0	3	0	0	0	0	0
	Minutes	0	0	1	0	0	0	0	0
	Insurance	0	0	2	0	0	0	0	0
	Internal Controls	0	0	2	0	0	0	0	0
	Other		0	0	0	0	0	0	0



Annual Return – Compliance with Requirements		Not checked	Not applicable	Positive	Negative	Statutory Non-Compliance	High	Medium	Low
<b>Box D</b>	<b>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b>	<b>1</b>	<b>3</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Budget & Precept setting	0	0	5	0	0	0	0	0
	Annual Return	0	0	5	0	0	0	0	0
	Auditors Reports	0	1	5	0	0	0	0	0
	Accounting Statements	0	1	1	0	0	0	0	0
	Budget monitoring	0	0	1	0	0	0	0	0
	Reserves	1	1	1	0	0	0	0	0
	Other		0	0	0	0	0	0	0
<b>Box E</b>	<b>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</b>	<b>0</b>	<b>14</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
	Investments	0	3	0	0	0	0	0	0
	Fees & Charges	0	2	0	0	0	0	0	0
	Leases	0	1	1	0	0	0	0	0
	Debt control	0	3	0	0	0	0	0	0
	Billing & Collection	0	1	1	1	0	0	1	0
	Precept	0	0	1	0	0	0	0	0
	Cash income	0	3	0	0	0	0	0	0
	VAT Compliance	0	1	4	0	0	0	0	0
	Other		0	0	0	0	0	0	0
<b>Box F</b>	<b>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Box G</b>	<b>Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.</b>	<b>0</b>	<b>8</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Contracts	0	0	3	0	0	0	0	0
	PAYE	0	1	3	0	0	0	0	0
	Deductions	0	0	1	0	0	0	0	0
	Pension	0	1	0	0	0	0	0	0
	Members Allowances	0	6	0	0	0	0	0	0
	Accounting	0	0	2	0	0	0	0	0
	Other		0	0	0	0	0	0	0
<b>Box H</b>	<b>Asset and investments registers were complete and accurate and properly maintained.</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Asset Register	0	0	2	0	0	0	0	0
	Additions & Disposals	0	0	2	0	0	0	0	0
	Verification	0	0	1	0	0	0	0	0
	Accounting	0	0	1	0	0	0	0	0
	Investments	0	2	0	0	0	0	0	0
	Other		0	0	0	0	0	0	0
<b>Box I</b>	<b>Periodic and year-end bank account reconciliations were properly carried out.</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Preparation	0	0	1	0	0	0	0	0
	Review	0	0	4	0	0	0	0	0
	Cash balances	0	2	0	0	0	0	0	0
	Accounting	0	0	1	0	0	0	0	0
	Other		0	0	0	0	0	0	0



Annual Return – Compliance with Requirements		Not checked	Not applicable	Positive	Negative	Statutory Non-Compliance	High	Medium	Low
<b>Box J</b>	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.	0	6	2	0	0	0	0	0
	Accounting basis	0	0	1	0	0	0	0	0
	Prior year	0	1	0	0	0	0	0	0
	Current Year	0	3	0	0	0	0	0	0
	Non-current liabilities	0	1	0	0	0	0	0	0
	Accounting Statements	0	0	1	0	0	0	0	0
	Stocks	0	1	0	0	0	0	0	0
	Other		0	0	0	0	0	0	0
<b>Box K</b>	IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt.	0	2	0	0	0	0	0	0
<b>Box L</b>	The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities.	0	0	1	0	0	0	0	0
<b>Box M</b>	During summer 2020 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.	0	0	3	1	1	0	0	0
<b>Box N</b>	The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	0	1	0	0	0	0	0	0
<b>Box O</b>	Trust funds (including charitable) – The council met its responsibilities as a trustee.	0	9	0	0	0	0	0	0
	Meetings	0	2	0	0	0	0	0	0
	Accounting	0	2	0	0	0	0	0	0
	Statutory Returns	0	1	0	0	0	0	0	0
	Other		4	0	0	0	0	0	0
<b>Total</b>		<b>1</b>	<b>66</b>	<b>93</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>



# Harberton Parish Council

## Financial Year 2020-21



Visit date: 1 May 2021

### Year End Internal Audit Observations

**Box B** This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Clerk is not CiLCA qualified	<i>The Clerk is not CiLCA qualified</i>	The Council should consider whether the Clerk should be CiLCA qualified.	Medium	This can be reviewed at the Clerk's annual appraisal. Should the Clerk wish to receive the CiLCA qualification and have the time to commit to it she will let the Parish Council know then.
2	Invoices have not been approved in accordance with the Councils Financial Regulations	<i>Invoices reviewed had not been signed in accordance with the Council's Financial Regulation 5.3 which states "All invoices for payment shall be examined, verified and certified by the RFO".</i>	The Council must ensure that invoices are certified as required by the Councils Financial Regulations.	High	The RFO does examine, verify and certify all invoices prior to payment, however as the Parish Council is attempting to be paper free, invoices were not printed and initialled/signed in order to be re-scanned. The Council has sought the advice of the Devon Association of Local Councils and the Internal Auditor and will evidence these checks either by providing a statement that invoices have been checked with a list of those invoices, and/or find a means of electronically initialling/signing those invoices.

**Box M** During summer 2020 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The period of the Exercise of Public Rights did not last for 30 working days.	<i>The period for the Exercise of Public Rights was from 16th July to 27th August, which was 31 working days</i>	The Council to note that the period of the Exercise of Public Rights did not last for 30 working days.	Non Compliance	In calculating 30 working days the RFO mistakenly noted 3rd August as a bank holiday in England, when it was only a bank holiday in Scotland.



Section 5

Bank Reconciliation Year end 31st March 2021

A Bank Balance on the bank statement at 29th March 2021 (taken from bank statement)

Lloyds current account	£	10,494.30
Barclays Community Benefit Fund account	£	38,166.72
<b>Total Bank Balance</b>	<b>£</b>	<b>48,661.02</b>

B Less unpresented cheques

Chq number Detail Amount

Total £0.00

C Plus uncleared payments into bank

0

Total £0.00

D Plus any petty cash balance held at 31st March 2021

Ref Amount

Total £ -

**BALANCE 48,661.02**

E Allocation of closing balance (Reserves)

Opening balance: £ 43,767.76

Add: Receipts in the year £ 24,743.05

Less: Payments in the year £ 19,849.79

Closing balance per cash  
book at 29th March 2021 £ - £ 48,661.02



6/4/21