

Annual Governance and Accountability Report and Ancillary Documents.

Certificate of Exemption – AGAR 2019/20 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 2020, 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 2020 and a completed Certificate of Exemption is submitted no later than 30 June 2020 notifying the external auditor.

CHIDEOCK PARISH COUNCIL

certifies that during the financial year 2019/20, 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 2019/20: **£20,609 R AMOUNT £00,000**

Total annual gross expenditure for the authority 2019/20: **£12,541 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 2016
- In relation to the preceding financial year (2018/19), 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notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice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under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration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 a public website* before 1 July 2020. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer

Date

SIGNATURE REQUIRED

25/08/2020

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

25/08/2020

Signed by Chairman

Date

SIGNATURE REQUIRED

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

Email of Authority

Telephone number

chideock@dorset-aptc.gov.uk **EMAIL ADDRESS REQUIRED**

01308426327 **NUMBER**

*Published web address

chideockpc.org.uk **PUBLISHED WEBSITE 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 2020. Reminder letters incur a charge of £40 +VAT

Internal Audit Report

| | | | Yes | No | Not Covered | Comments |
|---|---|---|------|--------------------|-------------|----------------------------|
| A | Appropriate accounting records have been properly kept throughout the financial year | 1) Is cash book maintained and up to date? | X | | | |
| | | 2) Is cash book mathematically correct? | X | | | |
| | | 3) Is cash book regularly balanced? | X | | | |
| B | This authority complied with its financial regulations, payments were supported by invoices all expenditure was approved and VAT was appropriately accounted for: | 1) has Council formally adopted standing orders and financial regs | X | | | To be done at Sept Meeting |
| | | 2) has responsible Financial Officer been appointed with specific duties? | X | | | To be done at Sept Meeting |
| | | 3) have several quotes been obtained where appropriate? | X | | | |
| | | 4) are payments supported by invoices, authorised and minuted? | X | | | |
| | | 5) has VAT on payments been correctly recorded and reclaimed? | X | | | |
| | | 6) is Section 137 expenditure recorded and within limits? | X | | | |
| C | This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | 1) Do minutes identify unusual activity? | | None | | |
| | | 2) Do minutes show Council carried out annual assessment? | X | | | To be done at Sept Meeting |
| | | 3) Is insurance cover appropriate and adequate? | X | | | |
| | | 4) Are internal financial controls documented & regularly reviewed? | X | | | |
| D | The precept or rates requirement resulted from an adequate budgetary process; progress against budget was regularly monitored; and reserves were appropriate | a) Has Council prepared annual budget in support of precept? | X | | | |
| | | b) Is expenditure against the budget regularly reported to Council? | X | | | |
| | | c) Are there any significant unexplained variances from the budget? | | X | | |
| E | Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for | a) Is income properly recorded and promptly banked? | X | | | |
| | | b) Does precept shown in books agree with notification from Local authority? | X | | | |
| | | c) Are security controls over cash adequate? | X | | | |
| | | d) Is VAT correctly reserved in books? | X | | | |
| F | Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for: | a) Is all cash spent recorded and supported by valid VAT receipts? | | No petty cash held | | |
| | | b) Is petty cash reimbursement carried out regularly? | | | | |
| 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. | a) Do salaries paid agree with those approved by Council? | X | | | |
| | | b) Has PAYE/NIC been properly calculated and paid to HMRC? | X | | | |
| H | Asset and investments registers were complete and accurate and properly maintained. | a) Does the Council keep an asset register? | X | | | |
| | | b) Is the register up to date? | X | | | |
| | | c) Do asset values reflect the cost? - i.e. book value | X | | | |
| I | Period and year-end bank account reconciliations were properly carried out. | a) Is there reconciliation for each account & carried out regularly? | X | | | |
| | | b) Are there unexplained balances on the reconciliation? | | X | | |
| 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 | a) Are accounts prepared on correct basis & agree with books? | X | | | |
| | | b) Is there an audit trail for financial records? | X | | | |
| K | Trust Funds (including charitable)- The Council met its responsibilities as a trustee. | If applicable has the PC met these requirements? | N/A | | | |
| L | Transparency Code- Has the authority met the transparency regulations: | Information to be published | | | | |
| | | a) all items above £100 | X | | | |
| | | b) end of year accounts | X | | | |
| | | c) annual governance statement | X | | | |
| | | d) internal audit report | X | | | |
| | | e) list of Council members responsibilities | X | | | |
| | | f) details of public land and building assets | X | | | |
| | | g) minutes, agendas and meeting papers of formal meetings | X | | | |
| C | General comments | Many items had to be deferred due to the virus but are being ratified at the meeting in September 2020. That apart as far as I could see everything is being very efficiently run by the clerk. | | | | |
| | | | | | | |
| | Internal Auditor | Ian Wigglesworth | Date | 12/08/2020 | | |

Annual Internal Audit Report 2019/20

CHIDEOCK 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. | | | N/A |
| 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. | | | ✓ |

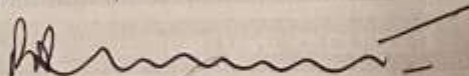
For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

IAN WIGBLESLEY

Signature of person who carried out the internal audit



Date 12 Aug. 2020

*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 2019/20

We acknowledge as the members of:

CHIDEOCK 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' 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. | ✓ | | 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. | ✓ | | 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. | ✓ | | 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. | ✓ | | 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. | ✓ | | 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. | ✓ | | 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. | ✓ | | 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. | ✓ | | 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 |
| | | | ✓ |

*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:

25/08/2020

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

Section 2 – Accounting Statements 2019/20 for

CHIDEOCK PARISH COUNCIL

| | Year ending | | Notes and guidance |
|---|--------------------|--------------------|---|
| | 31 March 2019 £ | 31 March 2020 £ | |
| 1. Balances brought forward | 24,364 | 31,230 | 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 | 16,020 | 16,320 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 6,603 | 4,290 | 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 | 3,525 | 3,556 | 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 | 12,233 | 8,985 | Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5). |
| 7. (=) Balances carried forward | 31,299 | 39,299 | 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 | 31,230 | 41,181 | 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 | 24,643 | 24,493 | 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 Statement 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 REQUIRED

Date

12/08/2020

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

25/08/2020

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Name of smaller authc **Chideock**
County area (local councils and parish meetings only): **Dorset Council**

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

- | | | | 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 <u>(must include narrative and supporting figures)</u> |
|---|--|--|---------|---------|----------|----------|-----------------------|--|--|
| | | | £ | £ | £ | % | | | |
| 1 Balances Brought Forward | | | 24364 | 31230 | | | | Explanation of % variance from PY opening balance not required - Balance brought forward agrees | |
| 2 Precept or Rates and Levies | | | 16020 | 16320 | 300 | 1.87% | NO | | |
| 3 Total Other Receipts | | | 6603 | 4290 | -2,313 | 35.03% | YES | | Interest up by 127.38 Vat Refund up by 1,129.18 Foss Orchard Car Park down by 137.00 Footpath Guides up by 5.00 WDDC Leisure Development Grant for Play Equipment down by 862.00 S106 money down by 3,457.44 CPRE Grant - Fingerpost Restoration down by 400.00 Donation from Chideock Mini Fete up by 24.89 Credit -overcharge for recharge May Parish Election up by 76.75 Seatown Regeneration Project (Dorset Council Grant) up by 1,180.00 |
| 4 Staff Costs | | | 3425 | 3556 | 131 | 3.82% | NO | | |
| 5 Loan Interest/Capital Repayment | | | 0 | 0 | 0 | 0.00% | NO | | |
| 6 All Other Payments | | | 12233 | 8985 | -3,248 | 26.55% | YES | | Clerks Travel down by 29.20 Postage / Phone up by 21.96 Stationery down by 33.94) Print cartridges / printing down by 97.74 Training up by 485 – New Councillors Insurance up by 28.70 Hall Hire down by 27.00 Subscriptions up by 6.59 ROSPA Safety Inspection of Playing Field and Equipment up by 2.40 General Playing Field Maintenance up by 293.85 Play Area Grass Cutting up by 50.00 Clapps Mead Playing Field Grass Cutting up by 377.15 Clapp's Mead Brook Clearance cost 1,200.00 No S106 Grant to Village Hall – 1,000.00 less Now Replacement of play equipment items / parts - 5,243.10 less Foss Orchard Car Park Maintenance down by 253.20 Bus Shelter Cleaning - down by 25 Domain Name for website – up by 11.99□ No Parish Poll - 850.70 less Recharge May 2020 Parish election cost 594.30 Remembrance Day Wreath - up by 13.01 Radar Key and Fob for Seatown Public Toilets cost 17.55 Works at Seatown (Dorset Council Grant) cost 1,180.00 |
| 7 Balances Carried Forward | | | 31230 | 39299 | | | | VARIANCE EXPLANATION NOT REQUIRED | |
| 8 Total Cash and Short Term Investments | | | 31230 | 39299 | | | YES | EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES | |
| 9 Total Fixed Assets plus Other Long Term Investments and | | | 24643 | 24493 | -150 | 0.61% | | VARIANCE EXPLANATION NOT REQUIRED | |
| 10 Total Borrowings | | | 0 | 0 | 0 | 0.00% | NO | | |
| | | Rounding errors of up to £2 are tolerable Variances of £200 or less are tolerable | | | | | | | |

| | | | | | | | | | |
|--|---|--|--|--|------------------|------------------|--|--|--|
| Explanation for 'high' reserves | | | | | | | | | |
| (Please complete the highlighted boxes.) | | | | | | | | | |
| Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end: | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | £ | | | |
| Earmarked reserves: | | | | | | | | | |
| | Community Fund | | | | | 3,147.19 | | | |
| | Playing Field Depreciation Fund | | | | | 573.97 | | | |
| | Foss Orchard Car Park Maintenance Fund | | | | | 11,053.28 | | | |
| | Foss Orchard River Bank Fund | | | | | 10,152.18 | | | |
| | Adverts | | | | | 80.00 | | | |
| | All Weather Footpath | | | | | 200.00 | | | |
| | Mill Lane (Bridleway 18) | | | | | 120.70 | | | |
| | Training | | | | | 235.00 | | | |
| | Playing Field Maintenance | | | | | 48.09 | | | |
| | Flood / Winter Maintenance | | | | | 330.01 | | | |
| | Hall Hire | | | | | 303.50 | | | |
| | Village Clock Service Contract | | | | | 649.20 | | | |
| | Mower Hire | | | | | 70.00 | | | |
| | Highways Contingency | | | | | 1,500.00 | | | |
| | Recharge of Parish Elections | | | | | 1,772.33 | | | |
| | Fingerpost Renovations | | | | | 800.00 | | | |
| | S106 - BW20 and FP20 | | | | | 1,457.44 | | | |
| | Devolution of Services Contingency | | | | | 5,000.00 | | | |
| | Insurance Excess | | | | | 250.00 | | | |
| | | | | | | | | | |
| | | | | | Sub total | 37,742.89 | | | |
| | | | | | | | | | |
| | General reserve | | | | | 1556.14 | | | |
| | | | | | | | | | |
| Total reserves (must agree to Box 7) | | | | | | 39,299 | | | |