

West Ilsley Parish Council

Correspondence Address: Wilkins Centre, Burrell Road, Compton, Newbury, RG20 6NP
Meeting address (when face-to-face meetings are permitted): West Ilsley Village Hall, Main Street,
West Ilsley, RG20 7AJ
Clerk@WestIlsley.org

To: All Members of West Ilsley Parish Council
All Councillors are hereby summoned to attend the following meeting.
Please inform the Clerk if you are unable to attend.

Notice of Meeting

MEETING: Full Council
DATE & TIME: Wednesday 9th June 2021 at 7:30pm
PLACE: At the Gazebo by the Pond, Main Street, West Ilsley

Please ensure social distancing guidelines are met if you are attending this meeting.

S. Marshman

Dr. S. Marshman, CiLCA, Clerk to the Council

3rd June 2021

Agenda

1. To receive, and consider for acceptance, apologies for absence from Members of the Council
2. To receive any declarations of disclosable pecuniary interests or non-registerable interests by members or the Clerk and to consider any requests for dispensation
3. To receive:
 - 3.1 Questions or comments from members of the public regarding items on the agenda¹
 - 3.2 Representations from any member who has declared a personal interest
4. To approve the [Minutes of the Parish Council Meeting held on 17th May 2021](#)
5. To ratify all decisions made at the Full Council Meeting held on 17th May 2021 and to discuss any matters arising
6. To receive the [Finance Report](#) and consider approving payments
7. To review the [feedback from our internal auditors on the 2020/21 audit](#) and consider any actions required
8. Annual Governance Review 2020/21: To consider, approve, and sign and date the [Annual Governance Statement](#)

¹ Members of the public are permitted to make representations, answer questions and give evidence in respect of any item of business included in this agenda. The designated time will be 12 minutes, with no longer than 3 minutes per person. This time may be extended at the discretion of the Chairman. A question shall not require a response at the meeting nor start a debate. The Chairman of the meeting may direct that a written or oral response be given after the meeting. (Standing Orders 3e-h) Comments or questions not related to an item on this agenda should be notified to the Clerk for consideration by Council for possible inclusion on a future agenda.

9. Accounting Statements 2020/21: To consider, approve, and sign and date the [Accounting Statements](#)
10. Certificate of Exemption: To consider completing the [Certificate of Exemption](#) for expenditure under £25,000 and ensure it is signed and dated
11. To consider creating earmarked reserves and adopting a [Reserves Policy](#)
12. To consider a funding request from the Village Hall
13. To discuss matters for future consideration or for information

Date of next Meeting: 12th July 2021 at 7.30pm.

To be held either remotely or in the village hall, to be confirmed.

Other dates in 2021:

Full Council Meetings: 13th September 2021, 8th November 2021

Supporting Documents

Agenda Item 6: To receive the Finance Report and consider approving payments

Status at last bank reconciliation 31st May 2021	£48,231.96
---	-------------------

Income	Amount
None	
Total	£0.00

Payments to be approved

Payment Date	Payee	Payment Detail	Amount
02-Jun-21	BHIB Ltd	Insurance 21/22	£392.62
09-Jun-21	Heelis & Lodge	Internal audit 20/21	£97.50
		Total	£490.12

Agenda item 7: To review the feedback from our internal auditors on the 2020/21 accounts and consider any actions required

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for West Ilsley Parish Council – 2020/2021

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £10,700.00

Expenditure: £14,091.94

Reserves: £43,128.98

AGAR 2020 / 2021 Completion:

Section One: [No blank](#)

Section Two: [Yes not signed](#)

Annual Internal Audit Report 2020 / 21: [Yes](#)

Certificate of Exemption: [Yes not signed](#)

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. LGAs137 and VAT payments are tracked and identified within the year end accounts.

The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

Financial regulations Standing Orders and Financial Regulations
Tenders
Appropriate payment controls including acting within the legal framework with reference to council minutes
Identifying VAT payments and reclamation
Cheque books, paying in books and other relevant documents

Standing Orders in place: [Yes](#)
Reviewed: [8th March 2021 \(Ref: 13.1\)](#)
Financial Regulations in place: [Yes](#)
Reviewed: [8th March 2021 \(Ref: 13.2\)](#)

VAT reclaimed during the year: [No](#) Registered: [No](#)

General Power of Competence: [No](#)

There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.

Risk Assessment

Appropriate procedures in place for the activities of the council
Compliance with Data Protection regulations

Risk Assessment document in place: Yes

Data Protection registration: Yes – ZA326747 Expiry 12/03/2022

Data Protection

The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls were reviewed at a meeting held on 8th March 2021 (Ref: 12)

The Council have effective internal financial controls in place.. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

The annual play area inspection has been undertaken during the year 26th May 2020 (Ref: 7.3).

Fidelity Cover: £100,000

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.

Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: [Yes](#)

Website: www.westilsley.org

- a) all items of expenditure above £100
Published – Yes
- b) annual governance statement (By 1 July)
2020 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2020 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2020 Annual Return, Section Four Published – Yes
- e) list of councillor or member responsibilities
Published – Yes
- f) the details of public land and building assets (By 1 July)
Published – Yes/No
- g) minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have met the requirements of the Transparency Code for smaller councils.

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

- h) Certificate of Exemption
Certificate of Exemption Published - Yes

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

- i) notice of period for the exercise of public rights
Published – Yes

Period of Exercise of Public Rights

Start Date 15th June 2020

End Date 24th July 2020

Budgetary controls	<p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £10,700 (2020 / 2021) Date: 13th January 2020 (Ref: 6.1)</p> <p>Precept: £10,700 (2021 / 2022) Date: 18th January 2021 (Ref: 9)</p> <p><i>Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.</i></p>
Income controls	<p>Precept and other income, including credit control mechanisms</p> <p><i>All were found to be in order. Income controls were checked and income received and banked cross referenced with the Cash Book and bank statements.</i></p>
Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i></p>
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: Yes (PAYE Tools) but due to no Clerk being paid till January 2021 and technical issues with the log in following the appointment of a Clerk, no payroll has been processed in year of audit</p> <p><i>It is noted that the Council agreed to join the Local Government Pension Scheme at a meeting held on 8th March 2021 (Ref: 16)</i></p>
Asset control	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets including new laptop (£400) are recorded at £42,031. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>

Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.</i></p> <p><i>Reconciled Bank Balances as at 31st March 2021 were confirmed as:</i></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;"><i>Lloyds Treasurers</i></td> <td style="text-align: right;"><i>£43,128.98</i></td> </tr> </table>	<i>Lloyds Treasurers</i>	<i>£43,128.98</i>
<i>Lloyds Treasurers</i>	<i>£43,128.98</i>		
Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have generous general reserves (£43,128)</i></p> <p><i>Recommendation:</i> <i>The council should review whether Earmarked reserves need to be established.</i></p>		
Year-end procedures	<p>Appropriate accounting procedures are used and can be followed through from working papers to final documents Verifying sample payments and income Checking creditors and debtors where appropriate.</p> <p><i>End of year accounts are prepared on a Receipts & Payments basis.</i></p>		
Sole Trustee	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is a Trustee of the West Ilsley Parish Council Trust (Charity No. 1116867)</i></p> <p><i>The last annual submission of the accounts was for the reporting year 31st March 2019 which was updated on the 27th January 2020. The Clerk is liaising with the Charity Commission in order to rationalise the records and the financial reporting of the charity.</i></p>		
Internal Audit Procedures	<p><i>The 2019 / 2020 Internal Audit report was considered by the Council at a meeting held on 8th March 2021 (Ref: 10)</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 8th March 2021 (Ref: 11)</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 8th March 2021 (Ref: 11)</i></p>		
External Audit	<p><i>The Council declared themselves Exempt from External audit for the 2019 / 2020 financial year.</i></p>		

Additional Comments/Recommendations

- Due to the Coronavirus pandemic, the requirement to hold the Annual Parish / Town Council meeting was removed until May 2021.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for the quality of documentation presented in the Audit File.

Dave Crimmin PSLCC
Heelis & Lodge

29th April 2021

Contact details : 1 Hembling Terrace, Mill Lane, Campsea Ashe, Suffolk IP13 0PP

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

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

- 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:
 - does not meet the qualifying criteria for exemption; or
 - does not wish to certify itself as exempt
- 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:
 - 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
 - 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.**
- 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.

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.

West Isley 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: **£10,700** Maximum £25,000

Total annual gross expenditure for the authority 2020/21: **£14,092** Maximum £25,000

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 26(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 26(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	I confirm that this Certificate of Exemption was approved by this authority on this date:
SIGNATURE REQUIRED	DATE	
Signed by Chairman	Date	as recorded in minute reference
SIGNATURE REQUIRED	DATE	MINUTE REFERENCE
Generic email address of Authority	Telephone number	
clerk@westisley.org	07585 047057	
*Published web address		
www.westisley.org	WWW.PUBLIC	

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

West Ilsley Parish Council

www.westilsley.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 protocol or rates requirement, resulting from an equitable budgetary process, progress against the budget, was regularly monitored, and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct process, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓		
F. Petty cash receipts were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			Not covered
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 of 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 that "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) Trust funds (including charities) – 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:

29/04/2021

Name of person who carried out the internal audit:

DF Clavinata on behalf of Helen & Laura

Signature of person who carried out the internal audit:

Date:

29/04/2021

*If the response is 'no' please state the implications and action being taken to address any weakness in control (identify and 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:

West Ilsley 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:

	Answer		Yes/answer and how 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.			created 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 misword 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 the 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 circumstances, occurring 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 in its account.
9. For local councils only: This fund including charitable, in our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A. This fund 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:

28/03/2021

and recorded as minute reference:

AGS 2020/21/001

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

Chairman

Clerk

SIGNATURE REQUIRED

SIGNATURE REQUIRED

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
---	-----	----

www.westilsley.org

ENTER PRODUCTS, SERVICES AND/OR SUPPLIERS WEBSITE ADDRESSES

Section 2 – Accounting Statements 2020/21 for

West Ilsley Parish Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	RESTATED 35,058	46,521	Total balances and reserves at the beginning of the year as recorded in the financial records. Values must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	10,860	10,700	Total amount of precept (or for IDs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	3,269	0	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	884	66	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuitia 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	1,582	14,026	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	46,521	43,129	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	46,521	43,129	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	41,631	42,031	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 P.V.A.B).
11. (For Local Councils Only) Disclosures 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 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

SIGNATURE REQUIRED

DATE REQUIRED

Date

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

as recorded in minute reference:

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

SIGNATURE REQUIRED

West Ilsley Parish Council Reserves Policy

Version Number	1.0	Minute Reference	
Date Adopted		Review Due	Annually in January

Introduction

1.1 West Ilsley Parish Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out how the Council will determine and review the level of reserves.

1.2 Sections 31 and 42 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no specified minimum level of reserves that an authority should hold and it is the responsibility of the Responsible Financial Officer to advise the Council about the level of reserves and to ensure that there are procedures for their establishment and use.

Types of Reserves

2.1 Reserves can be categorised as general or earmarked.

2.2 Earmarked reserves can be held for several reasons:

- Renewals – to enable services to plan and finance an effective programme of vehicle, equipment and infrastructure replacement and planned property maintenance. These reserves are a mechanism to smooth expenditure so that a sensible replacement programme can be achieved without the need to vary budgets.
- Carry forward of underspend - some services commit expenditure to projects but cannot spend the budget in year. Reserves are used as a mechanism to carry forward these resources.
- Insurance reserve – to enable the Council to meet the excesses of claims not covered by insurance.
- Other earmarked reserves may be set up from time to time to meet known or predicted liabilities.

2.3 General Reserves are funds which do not have any restrictions as to their use. These reserves can be used to smooth the impact of uneven cash flows, offset the budget requirement if necessary or can be held in case of unexpected events or emergencies.

Earmarked Reserves

3.1 Earmarked reserves will be established on a “needs” basis, in line with anticipated requirements.

3.2 Any decision to set up a reserve must be made by the Council.

- 3.3 Expenditure from reserves can only be authorised by the Council.
- 3.4 Reserves should not be held to fund on-going expenditure. This would be unsustainable as, at some point, the reserves would be exhausted. To the extent that reserves are used to meet short term funding gaps, they must be replenished in the following year. However, earmarked reserves that have been used to meet a specific liability would not need to be replenished, having served the purpose for which they were originally established.
- 3.5 All Earmarked Reserves are recorded on a central schedule held by the Responsible Financial Officer which lists the various Earmarked Reserves and the purpose for which they are held.
- 3.6 Reviewing the Council's Financial Risk Assessment is part of the budgeting and year end accounting procedures and identifies planned and unplanned expenditure items and thereby indicates an appropriate level of Reserves.

General Reserves

- 4.1 The primary means of building general reserves will be through an allocation from the annual budget. This will be in addition to any amounts needed to replenish reserves that have been consumed in the previous year.
- 4.2 The Practitioners' Guide 2021 states: *"The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure (NRE). NRE (subject to any planned surplus or deficit) is effectively Precept\Levy less any Loan Repayment and/or amounts included in Precept\Levy for Capital Projects and transfers to Earmarked Reserves. The reason for the wide range (3 to 12 months) is to cater for the large variation in sizes of individual authorities. The smaller the authority the closer the figure should be to 12 months NRE, the larger the authority the nearer to 3 months"*.
- 4.3 Setting the level of General Reserves is one of several related decisions in the formulation of the medium-term financial strategy and the annual budget. The Council must build and maintain sufficient working balances to cover the key risks it faces, as expressed in its financial risk assessment.
- 4.4 If in extreme circumstances General Reserves were exhausted due to major unforeseen spending pressures within a particular financial year, the Council would be able to draw down from its earmarked reserves to provide short term resources.
- 4.5 Even at times when extreme pressure is put on the Council's finances the Council must keep a minimum balance sufficient to pay one month's salaries to staff in General Reserves at all times.

Current level of financial reserves

- 5.1 The level of financial reserves held by the council will be agreed by the Parish Council during the discussions held regarding the setting of the budget for the next financial year.
- 5.2 The current level of general reserves to be held by the Council is equivalent to the yearly precepted figure, i.e. to fully cover twelve months' expenditure. The figure of the yearly precept is to be held rather than the yearly expenditure costs is suggested.

5.3 The figure for general reserves is £10,700 for the total precept for the 2021/22 financial year. The Council agreed to the following levels of reserves:

- *To be determined by the Parish Council at the meeting on 9th June 2021. It should be noted that the general reserves figure at the end of the 2020/21 financial year is £43,128.98.*

5.4 The above levels of reserves were agreed and this document adopted by the Parish Council at the meeting on 9th June 2021, to be reviewed again when setting the budget for the financial year 2022/23.