

Certificate of Exemption

To be completed only 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 2018, 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 2018 and a completed Certificate of Exemption is submitted notifying the external auditor.

CAYTHORPE PARISH COUNCIL

certifies that during the financial year 2017/18, the higher of the authority's gross income for the year or gross annual expenditure, for the year did not exceed £25,000

Annual gross income for the authority 2017/18: £4269

Annual gross expenditure for the authority 2017/18: £2413

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 has been in existence since before 1st April 2014
- In relation to the preceding financial year (2016/17), 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an advisory notice under paragraph 1(1) of Schedule 8 to the Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice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under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration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 submitted to the external auditor.

The Annual Internal Audit Report, Annual Governance Statement, Annual 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 2 July 2018. By signing this certificate you are also confirming that this will be done.

Signed by the Responsible Financial Officer

Date



5/6/18

Signed by Chairman



Date

 5.6.18

Email

Pcc1572caythorpe@gmail.com

Telephone number

01949 850637

*Published web address (not applicable to Parish Meetings)

www.w.caythorpe-nots-pc.org.uk/community/caythorpe-parish-council-8096

This Certificate of Exemption should be returned as soon as possible after certification to your external auditor.

Section 2 – Accounting Statements 2017/18 for

CAYTHORPE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	1869	2769	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	2000	3000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	3201	1269	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	726	520	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	—	—	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	3575	1893	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	2769	4625	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	2769	4625	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	4193	4847	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	—	—	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets.
		J	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or property present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Date

31/5/18

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

05/06/2018

and recorded as minute reference:

18/11/7

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

Explanation of variances – pro forma

Name of smaller authority: **Caythorpe** Parish **Caythorpe**

County area (local councils and parish meetings only):

Please provide full explanations, including numerical values, for the following:

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

Section 2	2016/17 £	2017/18 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 <i>Precept or Rates and Levies</i>	2000	3000	1000	50%	Additional £1k bid for in 2017/18 to part fund village security provision.
Box 3 <i>Total other receipts</i>	3201	1269	1932	60%	2016/17 income included £875 donation re plaque; £939 grant re computer. 2017/18 did not have any material additional donations / grants.
Box 4 <i>Staff costs</i>	726	520	206	28%	Additional PAYE of £86 and salaries of £120 accounted for in 16/17.
Box 5 <i>Loan interest/ capital repayments</i>	-	-	-	-	
Box 6 <i>All other payments</i>	3575	1893	1682	47%	2016/17 included specific spend items, including notice board £400; commemorative plaque £508; computer equipment £583; trees £209. There were no material specific spends in 2017/18
Box 9 <i>Total fixed assets & long term investments & assets</i>	4193	4847	654	15%	-
Box 10 <i>Total borrowings</i>	-	-	-	-	
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:				

CAYTHORPE PARISH COUNCIL

Reconciliation between Box 7 and Box 8 in Section 2 – pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Name _____ of _____ smaller _____ authority:

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

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

Box 7: Balances carried forward

£

£

2768.97

Deduct:

Debtors

-
-
-

2413.24

Deduct:

Payments made in advance
(prepayments)

-
-

Total deductions

Add:

Creditors (must not include
community infrastructure levy
(CIL) receipts)

-
-

4269.48

Add:

Receipts in advance (must
not include deferred
grants/loans received)

-
-

Total additions

4625.21

Box 8: Total cash and short term investments

Bank reconciliation – pro forma

Name of smaller authority: CAMTHORPE PARISH COUNCIL

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

Financial year ending 31 March 2018

Prepared by K Rye RFO (Name and role)

Date 31/5/18

Balance per bank statements as at 31 March 2018:

£ £

4625.21

Petty cash float (if applicable)

Less: any un-presented cheques at 31 March 2018

Add: any un-banked cash at 31 March 2018

Net balances as at 31 March 2018 (Box 8)

4625.21

The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:

CASH BOOK:

Opening Balance 1 April 2017 (Prior year Box 8)

Add: Receipts in the year

Less: Payments in the year

Closing balance per cash book [receipts and payments book] as at 31 March 2018 (must equal net balances above – Box 8)

2768.97

4269.48

-2413.24

4625.21

(See [example](#) for guidance if required)

Annual Internal Audit Report 2017/18

CAYTHORPE 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 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
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.			Not used.
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. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			
	Yes	No	Not applicable
			✓

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

Date(s) internal audit undertaken

8/5/18

Name of person who carried out the internal audit

ROGER HUGH FORD

Signature of person who carried out the internal audit

R. Ford

Date

8/5/18

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

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

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2017/18, Sections 1 and 2

- Where an authority is exempt from the requirement for a limited assurance review, it need 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 authority **must** comply with Proper Practices in completing this Annual Governance and Accountability Return 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 prior to approving the annual governance statement and before approving the accounts.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed annual return. Any amendments must be approved by the authority and properly initialled.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness at the meeting at which it is signed off.
- You **should** inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.
- It is recommended that the authority has numerical and narrative explanations for significant variances in the accounting statements on **page 4**, should a question be raised by a local elector. There is guidance provided in the *Practitioners' Guide** that may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the accounts and accounting records can be inspected. Whatever period the RFO sets **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
Internal Audit Report	Have all highlighted boxes have been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', is an explanation available should a question be raised by a local elector and/or an interested party?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Is an explanation of significant variations from last year to this year available, should a question be raised by a local elector and/or an interested party?	✓	
	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 is a sole managing trustee?		✓ N/A

*More guidance on completing this annual return is available in *Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, which can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk