

# Northiam Parish Council

## Notice of conclusion of audit Annual Return for the year ended 31 March 2020

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)

		Notes
1.	The audit of accounts for <b>Northiam Parish Council</b> for the year ended 31 March 2020 has been completed and the accounts have been published.	This notice and Sections 1, 2 & 3 of the AGAR must be published by 30 November. <b>This must include publication on the smaller authority's website.</b> The smaller authority must decide how long to publish the Notice for; the AGAR and external auditor report must be publicly available for 5 years.
2.	The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of <b>Northiam Parish Council</b> on application to:	
(a)	The Clerk Northiam Parish Council, Parish Office Village Club Main Street Northiam East Sussex TN31 6LP	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR
(b)	During Covid-19 restrictions please email for details:- <a href="mailto:clerk@northiamvillage.co.uk">clerk@northiamvillage.co.uk</a>	(b) Insert the hours during which inspection rights may be exercised
3.	Copies will be provided to any person on payment of £1.50 for each copy of the Annual Governance & Accountability Return.	(c) Insert a reasonable sum for copying costs
Announcement made by: (d)	Pete Sargent, Chairman	(d) Insert the name and position of person placing the notice
Date of announcement: (e)	12 March 2021	(e) Insert the date of placing of the notice

## Part 3PM Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

ENTER NAME OF PARISH MEETING

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 Parish Meeting:
	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 Parish Meeting and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	SEE INTERNAL AUDIT		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 met the needs of this Parish Meeting.
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 Parish Meeting 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.

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the Parish Meeting will address the weaknesses identified. These sheets must be published or displayed with the Annual Governance Statement.

This Annual Governance Statement was approved at a Parish Meeting on:

20/08/2020

and recorded as minute reference:

17

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

Chairman

PB Sargent

**Section 2 – Accounting Statements 2019/20 for**

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	234,605	218,091	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	50,000	50,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	28,612	1,461,339	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	-15,598	-17,572	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	-	-21,927	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	-79,528	-1,432,052	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	218,091	257,879	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	218,091	257,879	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>
9. Total fixed assets plus long term investments and assets	459,566	1,401,558	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	-	1,385,993	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.
		X	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 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

20/08/2020

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

20/08/2020

as recorded in minute reference:

17

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

PB Sergeant

### Section 3 – External Auditor Report and Certificate 2019/20

In respect of

Northiam Parish Council ES0069

#### 1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

#### 2 External auditor report 2019/20

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with *Proper Practices* and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The smaller authority has submitted its AGAR and supporting documentation prior to 30 November 2020; however, we have not been able to complete our review work in time to enable to smaller authority to publish the required documentation in line with statutory requirements. Once we have completed our review a final report will be provided with the certificate of completion detailing any qualifications and 'other' matters.

An invoice for the standard annual review fee (and chaser letter charges where they apply) has been issued with this interim certificate; however, this interim invoice does not fall due for payment until we certify completion and issue our final report and certificate. Should we receive challenge correspondence before we have certified completion, any additional fees arising from additional work required as a result of that correspondence will be invoiced with the certificate of completion; where no additional fees apply a zero invoice will be issued on completion. Both the interim and final invoices do not fall due for payment until we issue our final invoice with the certificate of completion.

Other matters not affecting our opinion which we draw to the attention of the authority:

Please see above.

#### 3 External auditor certificate 2019/20

We do not certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020

We do not certify completion because:

We have received the AGAR and supporting documentation but we have not been able to complete our review work prior to 30 November 2020.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

29/11/2020

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

## Final External Auditor Report and Certificate 2019/20 in respect of Northiam Parish Council ES0069

### Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with Proper Practices which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

### External auditor report 2019/20

On 29 November 2020, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2020. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The smaller authority has failed to follow proper practices as it has completed, authorised and submitted Section 1 of an AGAR Part 3PM intended for use by Parish Meetings only, rather than an AGAR Part 3.

Section 1, Assertion 5 has been incorrectly completed, the smaller authority has not provided a 'Yes' or 'No' response. Assertion 5 should have been answered 'No' as per the weaknesses outlined in the internal audit report, in that no risk assessment was carried out during the year under review.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Information received from the smaller authority indicates that certain assets purchased during the current year and prior year have not been included in Section 2, Box 9. The current and prior year Box 9 figures should read £1,847,874 and £478,861 respectively.

Other matters not affecting our opinion which we draw to the attention of the authority:

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 as it failed to make proper provision during the year 2020/21 for the exercise of public rights, since the period for the exercise of public rights was less than 30 consecutive working days in length. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2020/21 and ensure that it makes proper provision for the exercise of public rights during 2021/22.

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PKF Littlejohn LLP



Accountants &  
business advisers

In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to significant weaknesses in relation to the frequency of bank reconciliations, errors in the cashbook, corporate governance and risk management arrangements. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

In completing Section 1 of an AGAR part 3PM rather than an AGAR Part 3, the smaller authority has not disclosed the additional information required for AGAR Part 3 within the form. The smaller authority has confirmed that the response to Assertion 9 on the Annual Governance Statement should have been "N/A".

**External auditor certificate 2019/20**

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020.

A handwritten signature in black ink that reads 'PKF Littlejohn LLP'.

**PKF Littlejohn LLP**  
**23/02/2021**

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