

# Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

## SOUTH WARNBOROUGH 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:

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 and 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.	✓		has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

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

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

08/06/20

and recorded as minute reference:

6(f)

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

Chairman *Betinda Hall*  
Clerk *Ruizabell Ford*

Other information required by the Transparency Codes (not part of Annual Governance Statement)  
Authority web address

*www.southwarnborough.net*

Section 2 – Accounting Statements 2019/20 for

*SOUTH WARMBOROUGH PARISH COUNCIL*

1. Balances brought forward	19,661	26,690	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	13,500	14,850	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	4,870	677	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	3,507	4,368	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	nil	nil	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	7,844	9,931	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	26,690	27,918	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	26,690	27,918	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	51,091	106,892	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	nil	nil	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)			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 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

*Elizabeth Ford*

Date

20/05/20

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

08/06/20

as recorded in minute reference:

6(8)

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

*Betinda Hall*

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

In respect of **South Warnborough Parish Council HA0242**

#### 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 AGAR was not accurately completed before submission for review:

- The smaller authority has corrected the figure in Section 2, Box 9 for 2019/20 to reflect the ownership of assets previously believed to have been owned by South Warnborough Recreation Area Trust. However, the smaller authority did not restate the 2018/19 figure on the same basis. Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.

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

The annual internal audit report focuses on a series of internal control objectives covering an authority's key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority. We note that the internal auditor has not provided a conclusion to Internal control objective M but the smaller authority is a managing trustee. The annual internal audit report will inform the authority's response to assertions in the annual governance statement. As a result, the authority must ensure that assurance that has not been provided via these control objectives has been sought elsewhere.

#### 3 External auditor certificate 2019/20

We 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.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature

*PKF Littlejohn LLP*

Date

18/11/2020

\* 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))

# Annual Internal Audit Report 2019/20

## SOUTH WARNBOROUGH 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 indicate using the following:		
	Yes	No	Not applicable
A. Appropriate accounting records have been properly kept throughout the financial year.	1		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	1		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	1		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			1
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.	1		
H. Asset and Investments registers were complete and accurate and properly maintained.	1		
I. Periodic and year-end bank account reconciliations were properly carried out.	1		
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.	1		
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")			1
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.			1
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

21/5/20

Name of person who carried out the internal audit

ELEANOR S. GREEN

Signature of person who carried out the internal audit



Date

21/5/20

\*If the response is 'no' you must include a note to 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).

**Bank Reconciliation  
South Warnborough Parish Council**

**Financial Year Ending 31 March 2020**

Prepared by Elizabeth Ford, Clerk&RFO  
Date 6 May 2020

*Elizabeth Ford*

Approved by Cllr Belinda Hall (Chairman)

Brought Forward		<b>26,689.81</b>
Income		15,526.97
Expenditure		14,298.84
Balance c/f		<b>27,917.94</b>
Bank balance (South Warnborough PC Current)	31/03/2020	16,241.68 ✓
Bank balance (SW Burial Ground)	01/04/2020	3,273.01 ✓
Bank balance (NS&I Investment Account)	02/04/2020	6,106.54 ✓
Bank balance (SWAGA CMM)	03/04/2020	2,296.71 ✓
Add: After date bankings		-
Less: Unpresented cheques		-
Net bank balance		<b>27,917.94</b>

*Belinda Hall 4/7/2020*

### Explanation of variances – pro forma

Name of smaller authority: South Wamborough Parish Council  
County Area (local councils and parish meetings only): Hampshire

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

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

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

--a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward						
2 Precept or Rates and Levies			1,350	10.00%	NO	
3 Total Other Receipts			-4,203	86.13%	YES	In 2018/19 the Parish Council accounts newly included an additional account held by the Parish Council to finance the South Wamborough All Games Area. This added an atypical amount of £2,638 to the receipts for YE 31/03/19. Other atypical receipts in 2018/19 were the receipt of a grant from the parish flower show of £965, refund of a banking error £231, a grant from Hampshire County Council for £200 and donation of £27 from the carol service towards the playground. Unfortunately burial ground receipts in 2018/19 were £692 as compared to £345 in 2019/20.
4 Staff Costs			681	24.55%	YES	The total salary payments recorded in 2018/19 were £231,40 higher than finally paid as this amount was returned to the Parish Council by a banking error and so had to be paid a second time. In 2019/20 the Clerk was paid for 8 hours per week, an increase above the 6 hours per week in 2018/19, which increased the annual staff cost by £1,092.
5 Loan Interest/Capital Repayment			0	0.00%	NO	
6 All Other Payments			2,087	26.61%	YES	Increase in Other Payments in 2019/20 was due to £465 increase in grounds maintenance costs, £1279 for repair and replacement of play equipment, £148 on Councillor training, £136 increased mileage costs for the Clerk to carry out the weekly playground inspections and £85 for the deposit for toilet hire for the now cancelled 2020 summer fete - total of £2,111
7 Balances Carried Forward	24,600	27,918			NO	
8 Total Cash and Short Term Investments						
9 Total Fixed Assets plus Other Long Term Investments and			55,801	109.22%	YES	In 2020 the asset list was corrected to include the value of the Multi-use Games Area at the Parish Council Recreation Ground with a value of £55,800
10 Total Borrowings			0	0.00%	NO	

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable