Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *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 and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements **(Section 2, page 5)**. An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage 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 **before 1 July 2022.**

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including **the dates set for the period for the exercise of public rights**, been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at **31 March 2022** been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? **NB:** do not send trust accounting statements unless requested.		✓

Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices, can be downloaded from **www.nalc.gov.uk** or from **www.ada.org.uk**

Annual Internal Audit Report 2021/22

North Mymms Parish Council

https://northmymms.org/ PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2022, 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 2021/22 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 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.			✔
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 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 2020/21, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")*			✔
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✔
M. The authority, during the previous year (2020-21) 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 2020/21 AGAR *(see AGAR Page 1 Guidance Notes)*.	✔		

O. (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

08/06/2021 05/10/2021 DELETE AS APPROPRIATE

Name of person who carried out the internal audit

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date 26/04/2022

*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 2021/22

We acknowledge as the members of:

North Mymms Parish Council

ENTER NAME OF AUTHORITY

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 2022, 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.*

	Yes	No	N/A	
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:

25/05/2022

and recorded as minute reference:

2022/FC/13

MINUTE REFERENCE

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

Chairman Jacqueline J Baulk

Clerk C Wootton

REQUIRED

www.northmymms.org

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2021/22 for

North Mymms Parish Council

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	*Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.*
1. Balances brought forward	138,596	181,933	*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	187,650	193,091	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	60,386	43,540	*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	133,014	136,610	*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	71,682	78,831	*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	181,933	203,123	*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	188,741	225,753	*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	1,245,712	1,245,959	*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	N/A	*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 2022 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

S C Wotten

Date 19/05/2022

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

25/05/2022

as recorded in minute reference:

2022/FC/14

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

Jacqueline Boulton

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **mus** column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be e figures.

Name of smaller authority: North Mymms Parish Council

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

Financial year ending 31 March 2022

Prepared by (Name and Role): Christine Wootton - Responsible Financial Officer

Date: 26/04/2022

	£	£
Balance per bank statements as at 31/3/xx:		
NatWest Current Account	68,673.00	
NatWest Imprest Account	500.00	
NatWest Reserves Account	85,028.00	
Unity Current Account	70,327.00	
Unity Book Swap	1,825.00	
		226,353.0
Petty cash float (if applicable)		-
Less: any unpresented cheques as at 31/3/22 **(enter these as negative numbers)**		
Cheque No	(600.00)	
		(600.00)
Add: any un-banked cash as at 31/3/22		
0	-	
		-
Net balances as at 31/3/22 (Box 8)		**225,753.0**

Explanation of variances – pro forma

Name of smaller authority: North Mymms Parish Council
County area (local councils and Hertfordshire

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);
- **New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- 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).

	2020/21 £	2021/22 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	138,596	181,933				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	187,650	193,091	5,441	2.90%	NO		
3 Total Other Receipts	60,386	43,540	-16,846	27.90%	YES		Covid Grant not received. Income from Lettings down due to Covid restrictions
4 Staff Costs	133,014	136,610	3,596	2.70%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	71,682	78,831	7,149	9.97%	NO		
7 Balances Carried Forward	181,933	203,123			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	188,741	225,753				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	1,245,712	1,245,959	247	0.02%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

CONFIRMATION OF THE DATES OF THE PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

Name of smaller authority: **North Mymms Parish Council**

County Area (local councils and parish meetings only): **Hertfordshire**

On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on: Monday 13 June 2022

and ending on: Friday 22 July 2022

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2022 (i.e. Friday 1 July – Thursday 14 July).

We have suggested the following dates: Monday 13 June – Friday 22 July 2022. The latest possible dates that comply with the statutory requirements are Friday 1 July – Thursday11 August 2022.)

Signed: C Watton

Role: Responsible Financial Officer

This form is only for use by smaller authorities subject to a review:

Please submit this form to PKF Littlejohn LLP with the AGAR Form 3 and other requested documentation – this form is not for publication on your website.

The Clerk
North Mymms Parish Council
North Mymms Parish Council
1a Bushwood Close
Welham Green
Hertfordshire
AL9 7YZ

26-Apr-22

Explanation of "Not Covered" responses

Further to our Internal Audit of your Council for the financial year 2021/22, I am pleased to submit the signed Internal Report for your Annual Return. We have completed our work and I can confirm that we have not given a Negative response for any of the Internal Control Objectives.

You will note that we have given 'Not Covered' responses in respect of Control Objectives F, K, L and O and we are required to explain why we have done this.

- *The reason for the Not Covered response for Objective F is that we understand that your Council does not maintain a Petty Cash.*
- *The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from limited assurance review in 2020/21.*
- *The reason for the Not Covered response for Objective L is that it is not applicable to your Council as your 'annual turnover' exceeds £25,000.*
- *The reason for the Not Covered response for Objective O as it is our understanding that the Council does not act as Trustee.*

The External Auditor may query why we have responded 'Not Covered' and, if so, you should provide them with a copy of this letter.

Yours sincerely,

Kevin Rose ACMA
Director