

# St Erth Parish Council

## Notice of conclusion of audit

### Annual Governance & Accountability Return for the year ended 31 March 2021

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

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
1. The audit of accounts for <b>St Erth Parish Council</b> for the year ended 31 March 2021 has been completed and the accounts have been published.	This notice and Sections 1, 2 & 3 of the AGAR must be published by 30 September. <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>St Erth Parish Council</b> on application to:	
(a) <u>MRS FIONA DREW</u> <u>THE VESTRY ROOMS</u> <u>25 FOLE STREET</u> <u>ST ERTH TR27 6HT.</u>	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR
(b) <u>MON - FRI 0900 - 1500</u> <u>PLEASE RING 01736 757575</u> <u>TO ARRANGE AN APPOINTMENT</u>	(b) Insert the hours during which inspection rights may be exercised
3. Copies will be provided to any person on payment of £___ (c) for each copy of the Annual Governance & Accountability Return.	(c) Insert a reasonable sum for copying costs
Announcement made by: (d) <u>FIONA DREW - PARISH CLERK</u>	(d) Insert the name and position of person placing the notice
Date of announcement: (e) <u>13/09/2021.</u>	(e) Insert the date of placing of the notice

## Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

### ST ERTH 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:

	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.
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.	Yes	No	N/A	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:

18/05/2021

and recorded as minute reference:

M17/05/21-22f


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

Chairman



SIGNATURE REQUIRED

Clerk



SIGNATURE REQUIRED

ENTER PUBLICLY AVAILABLE WEBSITE/EBPAGE ADDRESS [www.sterth-pg.gov.uk](http://www.sterth-pg.gov.uk)

## Section 2 – Accounting Statements 2020/21 for

### ST ERTH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	75,214	74,649	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	55,228	58,130	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	8,183	34,373	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	30,701	28,127	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	33,275	51,670	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	74,649	87,355	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	68,529	73,994	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	REMITTED. 174,299	186,900	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	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

28/04/2021

Date

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

18/05/2021

as recorded in minute reference:

MILLENCE  
017/05/21-22g)

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

SIGNATURE REQUIRED

## Section 3 – External Auditor Report and Certificate 2020/21

In respect of

St Erth Parish Council – CO0142

### 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 2021; 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 2020/21

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. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.

- Information received from the smaller authority indicates £1,436 of insurance claims have been included as income in Section 2, Box 3. These items should have been netted off from the relevant expenditure rather than shown as income. Box 3 for the current year should therefore read £32,937, with a corresponding total reduction of £1,436 in Boxes 4, 5 and/or 6, depending on the nature of the original payments.

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

None.

### 3 External auditor certificate 2020/21

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 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

Date

23/08/2021

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

# Email

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To: clerk@sterth-pc.gov.uk Date: 9 September 2021

Organisation: St ErthParish Council Our ref: CO0142

From: sba@pkf-l.com Your ref:

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Dear Mrs Drew

We issued our external report and certificate for St Erth Parish Council on 23 August 2021 which contained an except for matter in relation to the treatment of a receipt from an insurance claim.

This matter has been subject to discussion amongst the technical network this season as the level of insurance claims is extraordinarily high. The current Practitioners' Guide is silent on the matter and our experience is that the smaller authorities' sector has no consistent way of accounting for it. As a firm, we have previously been asking authorities to net the proceeds against the expenditure to show the cost to the authority and raising an except for matter where the income and expenditure remain stated gross as, in our view, this inflates the income and the expenditure of the authority and can push authorities into higher fee bands than they should be in. Rather than an except for matter as our previous approach, the change we have made is to report this issue as an 'other matter'. The 'other matters' box is made available for us to use to include matters arising from our review that do not affect our opinion for issues such as this. Please note, this matter has been put forward to the Joint Panel on Accountability and Governance for clarification in the next Practitioners' Guide.

Our report was issued to St Erth Parish Council prior to our change in approach. We can confirm that had we not issued our report, we would not have raised the matter as an 'except for' qualification matter and the wording we would have used in our 'other matter' would have been as follows:

*'The authority has received £1,436 in respect of an insurance claim against expenditure during the year and has accounted for it as a receipt in Section 2, Box 3 rather than netting it against the relevant expense. Whilst the Practitioners' Guide is silent on the matter, it is our view that the true cost to the authority should be shown on a net basis. Accounting on a gross basis inflates the gross income and gross expenditure of the authority and can push the authority into a higher fee band than it would otherwise be in.'*

As a result of this, we can confirm that we will not be expecting the 2020/21 figures to be restated when completing the 2021/22 AGAR and we have updated our database to record this issue as an 'other matter' and not a qualification.

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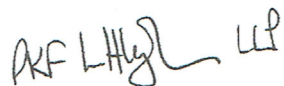
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Once we issue our opinion and certify closure of a reporting year we are unable to reissue our report; however, this email may be published with the External Auditor Report to clarify the position.

Handwritten signature in black ink, appearing to read "PKF Littlejohn LLP".

**SBA Team**  
**For and on behalf of PKF Littlejohn LLP**  
sba@pkf-l.com