

To be completed only by smaller authorities\* where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to certify themselves as exempt from a limited assurance review

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

1. Every smaller authority in England where the higher of gross income or gross expenditure was £25,000 or less **must** following the end of each financial year, complete Part 2 of the Annual Governance and Accountability Return in accordance with *Proper Practices*, unless the authority:

- a) does not meet the qualifying criteria;
- b) does not wish to certify itself as exempt

2. Smaller authorities where the higher of gross annual income or gross annual expenditure **does not exceed** £25,000 and meet the qualifying criteria as set out in the Certificate of Exemption are exempt from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** the authority **completes both** the

- a) **Certificate of Exemption**, page 3 and returns it to the external auditor
  - b) **Annual Governance and Accountability Return (Part 2)** which is made up of:
    - **Annual Internal Audit Report (page 4)** to be completed by the authority's internal auditor.
    - **Section 1 – Annual Governance Statement (page 5)** to be completed by the authority.
    - **Section 2 – Accounting Statements (page 6)** to be completed by the authority.
3. The authority **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved **before 2 July 2018**.

### Publication Requirements

Smaller authorities must publish various documents on a public website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:

- **Certificate of Exemption**, page 3
- **Annual Internal Audit Report 2017/18**, page 4
- **Section 1 – Annual Governance Statement 2017/18**, page 5
- **Section 2 – Accounting Statements 2017/18**, page 6
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

### Limited Assurance Review

Providing the authority certifies itself as exempt, and completes and publishes the Annual Governance and Accountability Return, there is **no** requirement for the authority to have a limited assurance review. Any smaller authority may, however, request a limited assurance review. In these circumstances the authority should **not certify itself as exempt, ie not complete** Certificate of Exemption, but complete Part 3 of the Annual Governance and Accountability Return 2017/18 and return it to the external auditor for review. The cost to the smaller authority for the review will be £200 +VAT.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*For a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014.



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

www.underskiddawparishcouncil.co.uk

\*Published web address (not applicable to Parish Meetings)

underskiddawparishcouncil@hotmail.com

Telephone number 07786678283

Signed by Chairman [Signature] Date 29-5-18

Signed by the Responsible Financial Officer [Signature] Date 29-5-18

are also confirming that this will be done.

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

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 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

By signing this Certificate of Exemption you are confirming that: Part 3 to the external auditor to undertake a limited assurance review for which a fee of £200 + VAT will be payable. 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

Annual gross expenditure for the authority 2017/18:	£7,716
Annual gross income for the authority 2017/18:	£6,332

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

Underskiddaw Parish Council

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.

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

Certificate of Exemption



**Section 1 – Annual Governance Statement 2017/18**

We acknowledge as the members of:

**Underskiddaw 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 2018, that:

Agreed		Yes means that this authority	
Yes	No	Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. We took appropriate action on all matters raised in reports from internal and external audit.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.			

This Annual Governance Statement is approved by this authority and recorded as minute reference:

2018 30-U!

dated

29-5-18

Clerk

Chairman

*[Signature]*  
*[Signature]*

Approval is given:

Signed by the Chairman and Clerk of the meeting where

I confirm that these Accounting Statements were approved by this authority on this date: **29-5-18**

and recorded as minute reference: **2018-30-vii**

Signed by Chairman of the meeting where approval of the Accounting Statements is given *[Signature]*

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 *[Signature]*

Date **29-5-18**

Notes and guidance	Year ending	
	31 March 2017	31 March 2018
1. Balances brought forward	5,155	7,699
2. (+) Precept or Rates and Levies	4,772	5,548
3. (+) Total other receipts	1,502	784
4. (-) Staff costs	2,030	3,239
5. (-) Loan interest/capital repayments	0	0
6. (-) All other payments	1,700	4,522
7. (=) Balances carried forward	7,699	6,269
8. Total value of cash and short term investments	7,699	6,269
9. Total fixed assets plus long term investments and assets	8,700	8,700
10. Total borrowings	0	0
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No

*[Additional notes and disclosures from the original document]*