Certificate of Exemption – AGAR 2020/21 Part 2

To be completed 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 2021, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

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 2021 and a completed Certificate of Exemption is submitted no later than **30 June 2021** notifying the external auditor.

NEWBURGH PARISH COUNCIL

certifies that during the financial year 2020/21, the higher of the authority's total gross income for the year **or** total gross annual expenditure, for the year did not exceed **£25,000**

Total annual gross income for the authority 2020/21:	£21,410
Total annual gross expenditure for the authority 2020/21:	£18,946

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 Part 3 to the external auditor to undertake a limited assurance review for which a fee of **£200 +VAT** will be payable.

By signing this **Certificate of Exemption** you are confirming that:

- The authority was in existence on 1st April 2017
- In relation to the preceding financial year (2019/20), 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notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice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under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration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.

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 a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, 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 the authority website/webpage* before 1 July 2021.
By signing this certificate you are also confirming that you are aware of this requirement.

Signed by the Responsible Financial Officer	Date	I confirm that this Certificate of Exemption was approved by this authority on this date:	
S. Jones	28/04/2021		28/04/2021
Signed by Chairman	Date	as recorded in minute reference:	
[signature]	28/04/2021	040/21 (c)	

Generic email address of Authority	Telephone number
clerk@newburghlancs.co.uk	01704 892520

*Published web address

www.newburghlancs.co.uk

ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor, but no later than 30 June 2021. Reminder letters incur a charge of £40 +VAT

Annual Internal Audit Report 2020/21

NEWBURGH PARISH COUNCIL

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During the financial year ended 31 March 2021, 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 2020/21 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.			N/A NO PETTY CASH
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 2019/20, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")*	✓		
L. The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities.	✓		
M. The authority, during the previous year (2019-20) 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 2019/20 AGAR *(see AGAR Page 1 Guidance Notes).*	✓		

	Yes	No	Not applicable
O. (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: 11/04/2021

Name of person who carried out the internal audit: MICHELLE MULCAHY

Signature of person who carried out the internal audit: [signature]

Date: 13/04/21

*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 2020/21

We acknowledge as the members of:

NEWBURGH 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	Agreed No	'Yes' means that this authority:
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.

*For any statement to which the response is 'no', an explanation must be published

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

28/04/2021

and recorded as minute reference:

040/21 (c)

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

Chairman [signature]

Clerk S Jones

Other information required by the Transparency Code *(not part of the Annual Governance Statement)*

	Yes	No
The authority website/webpage is up to date and the information required by the Transparency Code has been published.	✓	

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Section 2 – Accounting Statements 2020/21 for

NEWBURGH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	*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	13,265	14,600	*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	13,864	16,864	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	3,858	4,546	*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	8,955	8,928	*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	7,432	10,018	*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	14,600	17,064	*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	14,600	17,064	*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	43,182	45,334	*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).*

	Yes	No	
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 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

S Jones

Date 27/04/2021

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

28/04/2021

as recorded in minute reference:

040/21(c)

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

[signature]

Newburgh Parish Council

Bank Reconciliation Statement
Month ending 31 March 2021

				£	£	
Bank Statement Balances						
	Club & Societies Account		31/03/2021		4,039.91	
	Savings Account		31/03/2021		13,024.54	
					17,064.45	
	Less unpresented chqs				-	see below
					17,064.45	
Cash Book						
	Bfwd Balance	2020		14,600.33		
	Receipts	to	31/03/2021	21,409.60		
				36,009.93		
Less	Payments	to	31/03/2021	18,945.48		
	Balance				**17,064.45**	

Unpresented Chqs

	0.00

Prepared by: Sandra Jones
Clerk to the Council /RFO

Date: 01-Apr-21

NEWBURGH PARISH COUNCIL
EXPLANATION OF SIGNIFICANT VARIANCES 2020/21

		Year ending 31-Mar-20 £	31-Mar-21	Variances %	£	Notes	
1	Balances brought forward	13,265	14,600				as per last years working paper
2	Annual Precept	13,864	16,864	22	3,000	1	
3	Total Other Receipts	3,858	4,546	18	688	2	
4	Staff costs	- 8,955	- 8,928	0	27		
5	Loan Interest/Capital repayments	-	-				
6	All Other Payments	- 7,432	- 10,018	35	- 2,586	3	
7	Balances carried forward	14,600	17,064				
8	Total Cash and short term investments	14,600	17,064				
9	Total Fixed Assets and long term borrowings	43,182	45,334	5	2,152	4	
10	Total Borrowings	0	0				
11	Trust Funds	0	0				

Notes

	£
1 Precept	
Increase to fund the cost of taking ownership of Bluebell Wood and field	3000
2 Receipts	
Increase in West Lancashire Borough Council capital funding (from zero to £993)	993
Reduction in Lancashire County Council Parish Champion Grant (£300 last year to zero)	-300
Reduction in Lancashire County Council grant for public righs of way (from £250 to zero)	-250
Increase in Vat monies received druring the year mainly due to expenditure on new Bluebell wood and field site	248
Community Infrastructure Levy monies received for Former farmshop on Course Lane	1522
Reduction in Bank receipts from £1,525 for swapping accounts in 2019 to zero in 2020/21	-1525
	688
3 Other payments	
Increase in VAT mainly due to spend on Bluebell Wood and field site	-207
Increase in donations due to Stop Parbold Hill Quarry campaign	-76
Reduction in administration costs due to previous year's housing survey costs (£863-£271)	592
Increase in costs relating to Bluebell Wood and field following transfer (£0- £2235)	-2235
Increase in Christmas costs due to new set of lights being purchased (£432)	-432
Increase in training costs due to expansion of virtual training sessions for the Clerk	-100
various minor variances	-128
	-2586
4 Fixed Assets	
New Christmas lights	432
Cost for transfer of Bluebell Wood and field site to Parish Council ownership	1720
	2152

NEWBURGH PARISH COUNCIL

ASSETS REGISTER	Apr-20	Apr-21
ORIGINAL KNOWN PURCHASE COST.		
Ash Brow bus shelter, purchased January 2004.	1,237	1,237
Speed Indicator Device, purchased July 2007.	3,059	3,059
Play Equipment, Back Lane, purchased June 2009.	17,705	17,705
Computer equipment, purchased September 2010, July 2013 (printer), June 2019 (replacement printer)	310	310
Laptop, purchased December 2018	490	490
Play Area Fencing, gates and wet pour surface, Back Lane, purchased June 2009.	10,083	10,083
Notice Board, Course Lane, purchased July 2015	2,113	2,113
Christmas tree lights purchased November 2016 and November 2020	535	967
Heritage Board, Ash Brow. Purchased November 2019, some parts from previous sign	500	500
Bluebell Wood and field, transferred ownership from Appleton Family May 2020	-	1,720
	36,032	**38,184**
GIFTED ASSETS ESTIMATED CURRENT VALUE.		
Gavel and Block	50	50
Public seat, Play Area, Back Lane	300	300
Public seat, Ash Brow (Best Kept Village Competition).	300	300
Public seat, Ash Brow	300	300
Bus shelter, Cobbs Brow Lane	300	300
Notice Board, Course Lane	-	-
Chain of Office	100	100
Three Best Kept Garden Trophies.	150	150
Two Public seats, Woodrow Drive old peoples bungalows	-	-
	1,500	**1,500**
ASSETS ESTIMATED CURRENT VALUE.		
Metal filing cabinet, two drawers.	50	50
Two bus shelters, Course Lane.	4,000	4,000
Heritage Board, Ash Brow.	-	-
Footpath Information Board.	100	100
Three public seats on The Green.	600	600
One public seat on Cobbs Brow Lane.	300	300
One public seat on Course Lane.	300	300
One public seat on Play Area, Back Lane.	300	300
	5,650	**5,650**
GRAND TOTAL	**43,182**	**45,334**