

REPORT TO PICKMERE PARISH COUNCIL

2nd June 2020

AGENDA ITEM 7.2 – APPROVAL OF ANNUAL GOVERNANCE PROVISIONS and PROCEDURES FOR AUDIT

1. INTRODUCTION

- 1.1 As is normal at this time of year, Council must consider the acceptability of the annual financial Governance Provisions under which the Council operates, and provided it is so satisfied, to consider the annual accounts and the procedures for audit.

2. REPORT

- 2.1 The Council's financial procedures in relation to the accounts for 2019-20 have been considered and accepted by the Council's internal auditor, as is required, and she has signed the appropriate confirmation. The Council's Accounting Statement has been prepared and is appended to this report. It indicates that total income for 2019-20 was £22037 and total expenditure £18895. None of the receipt, expenditure categories or balances on the returns vary by more than 10% from the previous year apart from the item "Total other payments" – that is all payments other than staff costs. This figure has fallen by 11.8% compared to 2018-19, primarily because there was significant expenditure in 2018-19 on the painting of various of the Council's property assets, and also in 2018-19 Council's commission of the report into the condition and potential refurbishment of the Village Hall. These items were not repeated in 2019-20.
- 2.2 Smaller authorities, such as Pickmere, whose annual income and annual expenditure are each less than £25,000, and who meet the following criteria, are not required to submit their accounts for external audit:
- The authority has been in existence since on 1st April 2016
 - In relation to 2018-19 the external auditor has not:
 - Issued a public interest report in respect of the authority
 - Made a statutory recommendation to the authority
 - Issued an advisory notice under the Audit and Accountability Act
 - Commenced judicial review procedures under the Act
 - Made an application under the Act for a declaration that an item of account is unlawful
 - The court has not declared an item of account unlawful under the Act.
- 2.3 The Council may choose to be externally audited (i.e. more precisely be subject to a Limited Assurance Review) if they wish, but this brings a fee of £200 plus VAT. It is necessary for a council to resolve at this point which of these routes it wishes to take.
- 2.4 Your Clerk/Responsible Financial Officer will introduce orally the Governance Provisions and seek the Council's approval of them prior to your considering the figures.
- 2.5 The Council therefore has to make decisions as to the following:

- To approve or not the Annual Governance Statement for 2019-20 – i.e. the general principles under which the Council operates, particularly in relation to its financial systems and safeguards.
- To consider and approve or not the Accounting Statement for 2019-20 – i.e. the statutory summary of the Council's receipts and expenditure during this financial year.
- To certify as a result of those figures that it is exempt from a limited assurance review.
- To approve the Council's annual Asset Register.

2.6 The relevant documents are appended to this report.

2.7 Subject to your Council's agreement of these provisions and also the financial figures, the Council is required:

- to send to the external auditor the signed Certificate of Exemption by 31 July 2020;
- to publish relevant information on its website before 31st August 2020;
- to set a 30-working day period for the exercise of public rights to view the accounts and accounting records, this period to start on or before 1st September 2020. Unlike previous years, and as a result of the Coronavirus crisis, there is no requirement that this period include a specific period of 10 working days. Accordingly, it is planned to set this period to start on Monday 15 June and to end on Friday 24 July.

3. RECOMMENDATION

3.1 That Council notes that its accounting procedures have been successfully internally audited.

3.2 That the Annual Governance Statement be approved and the Chair and Clerk be authorised to sign the return.

3.3 That the Accounting Statement for 2019-20 be approved.

3.4 That the Council certifies itself as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015 and the RFO and the Chair be authorised to sign and submit the relevant certificate of exemption.

3.5 That Council approves the Asset Register as at 1st April 2020.

3.6 That Council approves the proposals for providing appropriate publicity to its Accounts for 2019-20.