

Annual Governance and Accountability Return 2022/23 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2022/23

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** must be completed by the authority's internal auditor.
 - **Sections 1 and 2** must be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2023**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2023**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2023
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2022/23

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2023 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

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 the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2022/23

- 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. Any amendments must be approved by the authority and properly initialled.
- 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 2023.
- 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.
- 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 bank reconciliation is incomplete or variances not **fully** explained then 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 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- 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 2023**.

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 Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	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 2023 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 2022/23

HESLINGTON PARISH COUNCIL

www.heslington.org.uk

During the financial year ended 31 March 2023, 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 2022/23 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.			✓ PETTY CASH NOT HELD
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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")	✓		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).		✓	NOT PUBLISHED ON WEBSITE AT CURRENT DS
O. (For local councils only)	Yes	No	Not applicable
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

08/05/2023

Name of person who carried out the internal audit

Janet Bennett Yorks Internal Audit Service

Signature of person who carried out the internal audit

Janet L. Bennett

Date

13/06/2023

*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 2022/23

We acknowledge as the members of:

Heslington 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 2023, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
			✓

***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:

20/06/2023

and recorded as minute reference:

MINUTE REFERENCE
APCM

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

Chairman

SIGNATURE REQUIRED
P. Branley

Clerk

SIGNATURE REQUIRED
R. H. H. H.

<https://www.heslington.org.uk/heslington-parish-council/>

Section 2 – Accounting Statements 2022/23 for

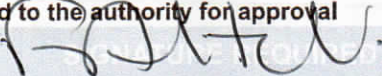
Heslington Parish Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	39,168	47,663	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. 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	16,691	16,692	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	3,708	16,677	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	4,960	11,343	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	6,944	2,984	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	47,663	66,705	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	47,663	66,705	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	78,872	78,872	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).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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



Date

29/06/23

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

20/06/2023

as recorded in minute reference:

M APCM

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

P. Branley

Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of

Heslington Parish Council

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2022/23

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2022/23

We certify/do not 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 2023.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY

YORKSHIRE INTERNAL AUDIT SERVICES
JASPER COTTAGE, SESSAY, THIRSK, NORTH YORKSHIRE YO7 3BE
TELEPHONE 01845 501660

Mrs Fiona Hill
Clerk to Heslington Parish Council
The Byre
Fieldhouse Farm
Thornton-le-Clay
York
YO60 7QA

Dear Mrs Hill

**To the Chairman and Members of Heslington Parish Council
Internal Audit of Accounts for the Financial Year ending 31 March 2023**

I am pleased to inform you that the internal audit is complete. Appropriate tests and checks were carried out on the accounts and management arrangements to confirm that the systems of financial and other controls over the council's activities and operating procedures are effective. Following that I can confirm that internal controls are operating as expected and there are no matters to give cause for concern with the exception of those matters noted below.

Further comment on one matter raised in previous reports is noted in the paragraphs below. There is one new matter to bring to the attention of members also discussed in the following paragraphs.

The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2022/23 has been completed as required.

Yorkshire Bank Account

Previous reports have noted the difficulty of obtaining proof of balance for this account as the original passbook was lost and as Yorkshire Bank then considered this a dormant account, they would not issue a new one or send statements. Since then, evidence of the balance has been obtained for the audit as in previous years on request. The problem appears to have arisen due to a change of signatories that Yorkshire Bank had not been made aware of.

I have previously recommended that the council do whatever is necessary as soon as possible to change this account and update mandates so that either this account can be closed and a new one opened or this account can be brought back into use. The council's balances at 31 March 2022 were £47,662.39, £7244.58 (or 15%) of which is held in this particular Yorkshire Bank account. This was a significant proportion of the council's total funds and in the current situation was not readily

accessible should the need arise. However, at 31 March 2023, of the council's total funds of £66,704 65, £27,252.83 (or 40%) is held in this account due to a transfer in from the council's other account during the year. Given that, my recommendation last year that the council make it a priority to resolve the problem is more important now so that these funds can be accessed.

I understand that the council are currently in the process of setting up internet banking on their other bank account and once mandates and arrangements are in place then proper arrangements can be made for the old Yorkshire Bank account.

Minutes

Minutes are a legal record of what decisions have been made by the council at its meetings so it is important that they are accurate and confirmed and signed at the following meeting.

Every year the council are required to review their risk management arrangements and also set a budget and determine a precept for the coming year. My review of the council's minutes and other documents showed that these matters were discussed, information was circulated and decisions made but they were not properly documented in the minutes nor the resolutions recorded.

I recommend that when approving the minutes of the previous meeting councillors are careful to ensure that they are a complete and accurate record of the decisions made.

I would like to thank Mrs Hill for her assistance during the audit.

Yours sincerely

Janet L Bennett

JL Bennett
13 June 2023

PARTNERS ~ KC Stephenson Tel: 0113 2585610
RF Entwistle Tel: 01845 501660
PRINCIPAL AUDITOR ~ Mrs JL Bennett Tel: 01924 671829

Heslington Parish Council

Bank Reconciliation as at 31 March 2023

Balance b/f 01 April 2022	47662.39
Add receipts	33361.57
	<u>81023.96</u>
Less payments	14326.56
Balance c/f	<u>66697.40</u>

Balance at bank and in hand:

Investment account	27244.58
Current account	39452.82
Petty Cash	0.00
	<u>66697.40</u>

+ 3.60 on 07/22 = 27251.83 ✓
 + 3.65 on 01/23 = 27251.83 ✓

Unpresented items:

Ref Amount

<u>0.00</u>	<u>0.00</u>	<u>66697.40</u>	0.00
-------------	-------------	-----------------	------

Made up off:

Ring-Fenced Funding:

Benches	486.33
Transparency Code	836.06
	<u>1322.39</u>

Earmarked Reserves

Article 4 (2) Direction	4000.00
Grant Giving (See Policy)	10000.00
Neighbourhood Planning 1	2753.68
Neighbourhood Planning 2 (Locality)	10000.00
Neighbourhood Planning 3	12246.32
Meeting Room Refurbishment	10000.00
	<u>49000.00</u>

Parish Council Funds:

General Reserve: Good Practice = 6-18 Months	<u>16375.01</u>	11 months
6 Months = 8945.00		
18 Months = 26835.00		
	<u>66697.40</u>	45 months

HESLINGTON PARISH COUNCIL

RECEIPTS 2022 -2023

Inc&Exp 33361.57
S/b Zero 0.00

Date	Payee	Description	Reference Amount	Precept	VAT	Misc	DT	Grant	Interest
04/05/2022	HSBC	Precept	33361.57	17374.00	509.68	374.49	1979.40	13124.00	0.00
28/06/2022	HMRC	VAT	8687.00	8687.00					0.00
11/07/2022	Heslington Village Trust	Unspent Grant	509.68		509.68				0.00
19/08/2022	Groundwork	Unspent Grant	25.20			25.20			0.00
29/09/2022	City of York Council	Precept	253.96			253.96			0.00
18/11/2022	Groundwork	NP Grant	8687.00	8687.00					0.00
06/12/2022	Sinclair Properties	Donation Xmas Tree	10000.00					10000.00	0.00
24/02/2023	CYC	Double Taxation	95.33			95.33			0.00
14/03/2023	CYC	Ward Grant	1979.40				1979.40		0.00
			3124.00					3124.00	0.00

HESLINGTON PARISH COUNCIL

Income and Expenditure Account Year Ending 31 March 2023

31/03/2022

31/03/2023

	Income	
17374.00	Precept	17374.00
1920.25	Grants	13124.00
	Double Taxation	1979.40
120.00	Donations towards Christmas Tree	0.00
0.00	Grant underspend returned (NP/VT)	279.16
677.22	VAT Refunded	509.68
7.23	Bank Interest	0.00
300.00	Bench Plaque Fees	0.00
	Donations towards Christmas Tree	95.33
<u>20398.70</u>	Total Income	<u>33361.57</u>
	Expenditure	
644.44	Insurance	674.29
4492.56	Clerk	4890.74
468.00	Lengthsman	6451.85
	Pension	
257.00	Subscriptions	251.00
680.00	Grants - Christmas Tree/Jubilee Event	238.33
0.00	Website	114.00
0.00	Bank Charges	112.70
300.00	Audits	320.00
228.10	Clerks Expenses	240.45
291.00	Newsletter	207.00
1457.62	Maintenance/Repairs	105.14
2466.46	Local Plan/Neighbourhood Plan	260.81
0.00	Benches	96.07
109.50	Meeting Room	241.46
509.68	VAT Paid (To Reclaim)	122.72
<u>11904.36</u>	Total Expenditure	<u>14326.56</u>
<u>8494.34</u>	Surplus/(Deficit)	<u>19035.01</u>

No S137 Expenditure