

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

BROWN EDGE 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 2020, 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:

15/07/2020

and recorded as minute reference:

2020/07/15 - 7.c)

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

Chairman

[Signature] REQUIRED

Clerk

D Wheat REQUIRED

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

Authority web address

www.browledge-pc.gov.uk

Section 2 – Accounting Statements 2019/20 for

BROWN EDGE PARISH COUNCIL

| | Year ending | | Notes and guidance |
|---|--------------------|--------------------|---|
| | 31 March 2019 £ | 31 March 2020 £ | |
| 1. Balances brought forward | 98025 | 92218 | 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 | 20470 | 21572 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 13807 | 16413 | 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 | 8590 | 7928 | 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 | 31494 | 23561 | 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 | 92218 | 98714 | 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 | 92218 | 98714 | 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 | 144547 | 149232 | 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 2020 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

D. Wheat REQUIRED

Date

14/07/20

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

15/07/20

as recorded in minute reference:

2020/07/15 - page 2 - 7c.

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

[Signature] REQUIRED

Section 3 – External Auditor Report and Certificate 2019/20

In respect of **BROWN EDGE PARISH COUNCIL**

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 2020; 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 2019/20

(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 2019/20

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 2020.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

*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)

BROWN EDGE PARISH COUNCIL.

2019 / 2020.

Bank Reconciliation at 31st. March 2020.

Bank Accounts.

| | |
|-------------------------------|------------------|
| Nat. West plc. - Current. | £13,472 - 28. |
| Less un-presented cheque 889. | <u>206 - 40.</u> |
| | £13,265 - 88. |
| Nat. West plc. - Reserve. | 11,110 - 43. |
| Leek United Building Society. | 74,338 - 40. |
| | <hr/> |
| | £ 98,714 - 71. |
| | ===== |

Cash Book.

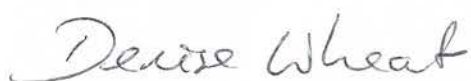
| | |
|---|----------------|
| Balance as at 1 st . April 2019. | £ 92,218 - 41. |
| ADD Receipts. | 37,985 - 06. |
| LESS Payments. | 31,488 - 76. |
| | <hr/> |
| Balance at 31 st . March 2020. | £ 98,714 - 71. |
| | ===== |

Signed by:

Chairman of the Council.



Clerk to the Council & Financial Officer.



BROWN EDGE PARISH COUNCIL.

Income & Expenditure for the year ending 31st March 2020.

| 2018/2019 £ | INCOME. | 2019/2020 £ |
|---------------------|---|------------------|
| 20,469.64 | Precept (excl. Council Tax Support Grant), | 21,572.00 |
| 194.69 | Council Tax Support Grant. | - |
| <u>20,664.33</u> | Total Precept. | <u>21,572.00</u> |
| 400.00 | Agency Services Reimbursed. | 400.00 |
| 724.20 | Interest on Investments. | 205.81 |
| 6,407.00 | Burial Ground Fees. | 9,677.00 |
| 1,050.00 | Donation to Trees & Hedging in Cemetery. | - |
| 974.59 | Miscellaneous. (incl. Wayleaves & Grazing). | 235.89 |
| 1,606.00 | Allotment Rents. | 1,706.00 |
| 2,451.23 | V.A.T. Repayment. | 4,188.36 |
| <u>34,277.35</u> | Total Income. | <u>37,985.06</u> |
| EXPENDITURE. | | |
| 9,549.24 | General Admin. | 14,084.25 |
| 1,020.00 | Agency Services. | 1,020.00 |
| 2,301.20 | S. 137 Payments. | 889.97 |
| 55.00 | Allotment Running Costs. | 55.00 |
| 14,296.54 | Burial Ground Running Costs. | 7,591.13 |
| 387.33 | Street Lighting Running Costs. | 390.53 |
| 4,984.95 | Recreation Ground Running Costs. | 4,263.22 |
| 3,301.60 | Miscellaneous (Remembrance Refreshments) | 425.47 |
| <u>4188.36</u> | V. A. T. | <u>2,769.19</u> |
| <u>40,084.22</u> | Total Expenditure. | <u>31,488.76</u> |

GENERAL FUND.

2017/2018

2018/2019

| | | |
|-----------|---|-----------|
| 9,411.30 | Current Account as at 1st. April 2019. | 6,975.39 |
| 10,024.96 | Reserve Account as at 1st. April 2019. | 11,090.00 |
| 62,505.21 | Leek United Building Society as at 1st. April 2019. | 74,153.02 |
| 46,851.26 | Total Income. | 37,985.06 |
| 30,767.45 | Less Total Expenditure. | 31,488.76 |

| | | |
|-----------|---------------------------------|-------------|
| 98,025.28 | Balance as at 31st. March 2020. | £ 98,714.71 |
|-----------|---------------------------------|-------------|

Supported by:

| | | |
|---|---------------------------------|-----------|
| Current Account. | Balance as at 31st. March 2020. | 13,265.88 |
| Reserve Account. | Balance as at 31st. March 2020. | 11,110.43 |
| Leek United Building Society Bond a as at 31st. March 2020. | | 74,338.40 |

| | |
|--------|-------------|
| Total. | £ 98,714.71 |
|--------|-------------|

NOTES.

Payments made under Section 137.

Payments Made.

| | |
|--|--------|
| Nature of Payment. | |
| Classic Stone Flower Troughs. | 195.00 |
| Brown Edge Carnival Committee. | 600.00 |
| British Heart Foundation - Defibrillator Spares. | 94.97 |

| |
|----------|
| £ 889.97 |
|----------|

Parish Council Accounts.

Page 2.

BROWN EDGE PARISH COUNCIL.

List of Assets.

As at 31st. March 2020

£

Allotments Land.

| | | |
|----------------------|----------|--------|
| Land. | Nominal. | 1. |
| Wooden Stable Block. | | 6,695. |

Recreation Ground.

| | | |
|-----------------|----------|---------|
| Land. | Nominal | 1. |
| Sensory Garden. | Nominal. | 1. |
| Play Equipment. | | 83,150. |

Burial Ground.

| | | |
|--|---------|---------|
| Land. | Nominal | 1. |
| Equipment. (Tools. Mats etc). | | 40. |
| Buildings, Wall, Rails & Gates. | | 46,097. |
| Land Reserved for Extension to Cemetery. | | 1. |

Common Land. (Registered in Parish Council's Name)

| | | |
|-------------------------|---------|----|
| Marshes Hill Common. | Nominal | 1. |
| Edgefields Lane Quarry. | Nominal | 1. |
| Bank End. | Nominal | 1. |

Fixtures and Fittings.

| | | |
|--|--|--------|
| Various Lights. | | |
| 5 Installed and maintained by Council. | | ----- |
| Village Signs. | | 4,950 |
| Bus Shelter. | | 2,982. |
| 3 Defibrillators & Cabinets. | | 5,310. |

£ 149,232.

=====

Nominal Value for land likely to be held for perpetuity.

Explanation of significant variances in the accounting statements - Section 2Parish Council name: BROWN EDGE PARISH COUNCIL

Please explain any variances of more than 15% between the totals for individual boxes in Section 2. We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. **We also ask you to explain any change where there is a movement to or from zero.** Please either use the proforma below, or complete a separate schedule if more space is required.

| Section 2 | 2018/19 £ | 2019/20 £ | Variance (+/-) £ | Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10)) |
|--|--------------|--------------|---------------------|---|
| Box 2 Precept | 20470 | 21572 | +1102 | N/A |
| Box 3 Other income | 13807 | 16413 | +2606 | Burial Ground fees were higher than previous year due to more interments. |
| Box 4 Staff costs | 8590 | 7928 | -662 | N/A |
| Box 5 Loan interest/ capital | — | — | — | N/A |
| Box 6 Other payments | 31494 | 23561 | -7933 | Burial Ground running costs were half what they were the previous year Miscellaneous costs were also less. |
| Box 7 Balances carried forward | 92218 | 98714 | +6496 | If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. Please see attached sheet of Earmarked Reserves |
| Box 9 Fixed assets & long term assets | 144547 | 149232 | +4685 | Explain all movements in this category and not just those above 15% Defibrillators and cabinets were purchased and added to list of assets. |
| Box 10 Total borrowing | 0 | 0 | 0 | N/A |

Brown Edge Parish Council – List of Earmarked Reserves (updated from Budget)

Explanation of significant variances in the Accounting Statements 2019/2020

Ref: Box 7 – Balances carried forward

| | | |
|--|----------|------------------|
| Total Balance at 31 st March 2020 | £ | 98,714.00 |
| Recommended 4 Months Free Funds | £ | 11,000.00 |
| Emergency Contingency | £ | 5,000.00 |
| Remaining Reserves Available for Earmarking | £ | 82,714.00 |
| Purchase of Cemetery Land | £ | 64,000.00 |
| Allotment Conservation Area | £ | 1,000.00 |
| Holly Bush Car Park | £ | 3,000.00 |
| Historical Markers | £ | 3,000.00 |
| Clerk Recruitment (advertising and equipment) | £ | 1,500.00 |
| Completion and Referendum of NDP | £ | 8,000.00 |
| Total Amount Earmarked | £ | 80,500.00 |
| Total Balance remaining | £ | 2,214.00 |

Confirmation regarding the exercise of public rights

Parish Council name: BROWN EDGE PARISH COUNCIL

The Parish Council must inform the electorate of an exact 30 working day period during which public rights may be exercised.

The inspection period must **commence no later than 1 September 2020**

It must start at least one day after the annual return has been published on your website (or other free to access website used by the Council) and publication must be as soon as practical after the unaudited annual return has been approved by the Parish Council.

Working days are defined as Monday – Friday. They **do not** include Saturdays, Sundays and Bank holidays.

(See calendar guide overleaf)

The inspection period commences on: TUESDAY 1ST SEPTEMBER 2020

And ends on: MONDAY 12th OCTOBER 2020

Signed: D. Wheat Date: 4/8/2020

Position held: CLERK/RFO.

Local council name: BROWN EDGE PARISH COUNCIL**Notice of appointment of date for the exercise of public rights****Accounts for the year ended 31st March 2020**

The Local Audit and Accountability Act 2014, and
The Accounts and Audit (England) Regulations 2015 (SI 234)

| | |
|---|--|
| 1. Date of announcement: <u>4/8/2020</u> (a) | (a) Insert date of placing of this notice on your website. |
| 2. Any person interested has the right to inspect and make copies of the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them. For the year ended 31 March 2020 these documents will be available on reasonable notice on application to: | (b) Insert name, position and contact details of the Clerk or other person to whom any person may apply to inspect the accounts. |
| (b) <u>PARISH CLERK - MRS DENISE WHEAT</u> <u>3 THE ISLAND, TEAN, S-O-T, ST10 4JE</u> <u>clerk@brownedge-pc.gov.uk</u> <u>07835 812787</u> | |
| commencing on (c) <u>1st September 2020</u> | (c) And (d) The inspection period must be 30 working days in total and commence no later than 1 September 2020. |
| and ending on (d) <u>12th October 2020</u> | |
| 3. Local Government Electors and their representatives also have: <ul style="list-style-type: none"> the opportunity to question the auditor about the accounts; and the right to make objections to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Council (f). <p>The auditor can be contacted at the address in paragraph 4 below for this purpose during the inspection period at 2 above.</p> | |
| 4. The audit is being conducted under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit (England) Regulations 2015 and the National Audit Office' Code of Audit Practice. Your audit is being carried out by: | |
| Mazars LLP, Salvus House, Aykley Heads, Durham, DH1 5TS | |
| 5. This announcement is made by (e) <u>D. Wheat</u> <u>DENISE WHEAT - CLERK</u> | (e) Insert name and position of person placing the notice |

Annual Internal Audit Report 2019/20

BROWN EDGE PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 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 | Agreed? Please choose one of the following | | |
|--|--|-----|----------------|
| | 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 |
| 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 and year-end bank account reconciliations were properly carried out. | / | | |
| 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 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered") | | | N/A |
| L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. | / | | |
| M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee. | Yes | No | Not applicable |
| | | | N/A |

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

Name of person who carried out the internal audit

04/07/2020

CHRISTOPHER NEUFELD

Signature of person who carried out the internal audit

C. Neufeld

Date

04/07/2020

*If the response is 'no' you must include a note to 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