

Annual Statements 2019 – 2020

FARLAM PARISH COUNCIL

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Smaller authority name: FARLAM PARISH COUNCIL
NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF ANNUAL GOVERNANCE & ACCOUNTABILITY
RETURN (EXEMPT AUTHORITY)

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Local Audit and Accountability Act 2014 Sections 25, 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)
The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)

NOTICE

1. Date of announcement 12th June 2020

2. Each year the smaller authority prepares an Annual Governance and Accountability Return (AGAR). The AGAR has been published with this notice. It will not be reviewed by the appointed auditor, since the smaller authority has certified itself as exempt from the appointed auditor's review. Any person interested has the right to inspect and make copies of the AGAR, the accounting records for the financial year to which it relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2020, these documents will be available on reasonable notice by application to:

Allison Riddell – Clerk/RFO
Unit 2, The Old Brewery, Craw Hall, Brampton CA8 1TR
016977 3382 farlampc@hotmail.co.uk

commencing on **Monday 15 June 2020**

and ending on **Friday 24 July 2020**

3. Local government electors and their representatives also have:

- The opportunity to question the appointed auditor about the accounting records; and
- The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

4. The smaller authority's AGAR is only subject to review by the appointed auditor if questions or objections raised under the Local Audit and Accountability Act 2014 lead to the involvement of the auditor. The appointed auditor is:

PKF Littlejohn LLP (Ref: SBA Team)
15 Westferry Circus
Canary Wharf
London E14 4HD
(sba@pkf-littlejohn.com)

5. This announcement is made by - Allison Riddell – Clerk/RFO

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

The Local Audit and Accountability Act 2014 (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act, the Accounts and Audit Regulations 2015 and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. **Legislative changes have been made as a result of the restrictions imposed by the Coronavirus for the 2019/20 reporting year which mean that there is no requirement for a common period for public rights. The period for the exercise of public rights must however commence on or before 1 September 2020.** The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

The right to ask the auditor questions about the accounting records

You should first ask your smaller authority about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The

advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the Local Audit and Accountability Act 2014.

A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication Local authority accounts: A guide to your rights are available from the NAO website.

If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.

Annual Governance and Accountability Return 2019/20 Part 2

To be completed only by Local Councils, Internal Drainage Boards and other 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 2019/20

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 for exemption; or
 - b) does not wish to certify itself as exempt
2. Smaller authorities where the higher of all gross annual income **or** gross annual expenditure **does not exceed** £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** the authority **completes**:
 - a) The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email **or** by post (not both) **no later than 30 June 2020**. Failure to do so will result in reminder letter(s) for which the Authority will be charged £40 +VAT for each letter; and
 - b) The **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 and approved by the authority.
 - **Section 2 – Accounting Statements (page 6)** to be completed and approved by the authority.**NOTE: Authorities certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.**
3. The authority **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved and published on a website **before 1 July 2020**.

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 2019/20**, page 4
- **Section 1 – Annual Governance Statement 2019/20**, page 5
- **Section 2 – Accounting Statements 2019/20**, 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, and not complete the** Certificate of Exemption, but complete Part 3 of the Annual Governance and Accountability Return 2019/20 and return it to the external auditor for review together with the supporting documentation requested by the external auditor.

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 the Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 2 of the Annual Governance and Accountability Return 2019/20, Sections 1 and 2

- An authority that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting of the authority after 31 March 2020. It should not submit its Annual Governance and Accountability Return to the external auditor. However, as part of a more proportionate regime, the authority **must** comply with the requirements of the Transparency Code for Smaller Authorities.
- The Certificate of Exemption must be returned to the external auditor no later than 30 June 2020. Reminder letters will incur a charge of £40 +VAT for each letter.
- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return and the Certificate of Exemption. 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.
- The authority **should** receive and note the annual internal audit report if possible before approving the annual governance statement and the accounts.
- Make sure that the Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Avoid making amendments to the completed annual return. Any amendments must be approved by the authority and properly initialled.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness at the meeting at which it is signed off.
- **You should inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- The authority must publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish 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 2020**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
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', is an explanation available for publication?	✓	
Section 2	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 from last year to this year been published?	✓	
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? (<i>Local Councils only</i>)	✓	

***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**

Certificate of Exemption – AGAR 2019/20 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 2020, 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 2020 and a completed Certificate of Exemption is submitted no later than 30 June 2020 notifying the external auditor.

FARLAM PARISH COUNCIL

certifies that during the financial year 2019/20, 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 2019/20:

£9529.22

Total annual gross expenditure for the authority 2019/20:

£9299.66

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 2016
- In relation to the preceding financial year (2018/19), 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 a public website* before 1 July 2020. **By signing this certificate you are also confirming that you are aware of this requirement.**

Signed by the Responsible Financial Officer

Date

M. Adell

08/06/2020

I confirm that this Certificate of Exemption was approved by this authority on this date:

05/06/2020

Signed by Chairman

Date

[Signature]

08/06/2020

as recorded in minute reference:

11.2.4/20

Email of Authority

farlampc@hotmail.co.uk

Telephone number

016977 3382

*Published web address

www.farlamparishcouncil.com

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 2020. Reminder letters incur a charge of £40 +VAT

ANNUAL INTERNAL AUDIT – Farlam PC 2019-20

SUBJECT	TEST	SATISFACTORY?	NOTES	REPLY
Standing Orders	<p>1. Has the Council Committee formally adopted standing orders and financial regulations?</p> <p>2. Have levels of delegation been correctly authorised?</p> <p>3. Have items or services above a deminimis amount been competitively purchased?</p>	<p>√</p> <p>√</p> <p>√</p>	None this period	
Risk management arrangements	<p>1. Do the minutes record the Council carrying out annual risk assessments?</p> <p>2. Are financial controls documented and regularly reviewed?</p>	<p>√</p> <p>√</p>		
Income controls	<p>1. Does the precept recorded in the cash-book agree to the District Council's notification?</p> <p>2. Are security controls over cash adequate and effective?</p>	<p>√</p> <p>√</p>		
Budgetary Controls	<p>1. Has the Council prepared an annual budget in support of its plans?</p>	<p>√</p>		
Payroll Controls	<p>1. Do salaries paid agree with those approved by the Council?</p> <p>2. Are other payments to the Clerk reasonable and approved by the Council?</p> <p>3. Has PAYE/NIC been properly operated by the Council?</p>	<p>√</p> <p>√</p> <p>√</p>	None this period	

Assets Control	1. Are the Assets/Property Registers up to date? 2. Is insurance cover appropriate and adequate?	√ √		
Year End Procedures	1. Are year-end accounts prepared on the correct accounting basis? 2. Do accounts agree with the cash book? 3. Is there an audit trail from underlying financial records?	√ √ √		
Bookkeeping	1. Is the cash book maintained & up to date? 2. Is the cash book arithmetically correct? 3. Is the cash book regularly balanced? 4. Are receipts & invoices easily identified in cash book? 5. Are there vouchers for all transactions?	√ √ √ √ √		
Payment Controls	1. Are payments in the cash book supported by invoices, authorisation (person or minutes)? 2. Is s137 expenditure separately recorded and within statutory limits?	√ √	None this period	
Risk Management Arrangements	1. Does a scan of the minutes identify any unusual financial activity?	√	None	

Statement of Account	1. Is the monthly statement of account presented to the Council?	√	Signed at bi-monthly meeting	
Budgetary Controls	1. Is actual expenditure against the budget regularly reported to the Council?	√	None	
	2. Are there any significant variances from the budget? Have these been explained?	√		
Income Controls	1. Is income properly recorded and promptly banked?	√		
Petty Cash Procedures	1. Is all petty cash spent recorded and supported by invoices/receipts? 2. Is petty cash expenditure reported to each Council meeting?		N/A – Farlam PC do not operate a petty cash system.	
Bank Reconciliation	1. Is bank reconciliation carried out regularly on the receipt of statements? (Monthly and by someone other than the Clerk)	√	Checked by Cllr at bi-monthly meeting	
	2. Are there any unexplained balancing entries in any reconciliation?	√		
Software Control	1. Are back up disks used? Where are they stored?	√	External hard drive & USB stored away from office.	

Date 8/6/20

Replies approved by S Bowles Council member

 (signature)

Annual Internal Audit Report 2019/20

FARLAM 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. <i>(If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")</i>	✓		
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
			✓

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

11/05/2019

DD/MM/YYYY

DD/MM/YYYY

JOANNE BATEY FMAAT

Signature of person who carried out the internal audit

J Batey

REQUIRED

Date

11/05/2019

*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 2019/20

We acknowledge as the members of:

FARLAM 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.	✓		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.
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
			✓

*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:

05/06/2020

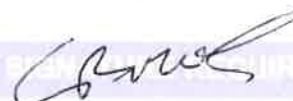
and recorded as minute reference:

11.2.1/20

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

Chairman

Clerk






Section 2 – Accounting Statements 2019/20 for

FARLAM PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	2944	4585	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	5730	6958	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	2211	2571	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	2478	2642	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	3822	6657	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	4585	4815	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	4585	4815	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	23394	24827	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	NIL	NIL	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.
		X	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


Date 07/05/2020

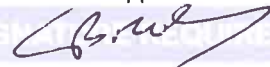
I confirm that these Accounting Statements were approved by this authority on this date:

05/06/2020

as recorded in minute reference:

11.2.2.120

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



FARLAM PARISH COUNCIL

BANK RECONCILIATION AT 31st MARCH 2020

HSBC ACCOUNT - 20476129

Balance b/f at 1/4/19	4,585.37		
Income	9,529.22	Expenditure	9,299.66
		Balance c/f	4,814.93
	<u>14,114.59</u>		<u>14,114.59</u>

Bank Reconciliation

Balance per statement @ 31.3.20

5219.73

Less o/s cheques

HMR&C	100783	164.80	
HBG Village Hall	100784	96.00	
TEEC Ltd	100786	144.00	
		<u>404.80</u>	
		<u>4,814.93</u>	

	<u>Balance B/F 1.4.19</u>	<u>Balance C/F</u>
HSBC Account	4,585.37	4,814.93
	<u>£ 4,585.37</u>	<u>£ 4,814.93</u>

I certify that I have checked the above figures and am satisfied, to the best of my belief and knowledge, that they accurately represent the financial position of the Parish Council at the end of the month indicated.

FARLAM PARISH COUNCIL

BANK RECONCILIATION AT 31st MARCH 2020

Cash Book	Balance b/f @ 1/4/2019	4,585.37
	Add: receipts	9,529.22
	Less: payments	<u>9,299.66</u>
		<u>4,814.93</u>

Bank	Current Account	
	Balance @ 31.3.20	5,219.73
	Less unpaid cheq's/D.D's	<u>404.80</u>
		4,814.93
		<u>4,814.93</u>

I certify that I have checked the above figures and am satisfied, to the best of my belief and knowledge, that they accurately represent the financial position of the Parish Council at the end of the year indicated.

Chairman



Responsible Officer



5th June 2020

FARLAM PARISH COUNCIL INCOME 2019/2020

date	description	rcpt no	ref	Precept	Farlam Parish Trust	Grants	Village Hall Grants	Vat Received	Insurance	Work to Village Hall	Donation to xmas tree	Interest Received	Totals
	Budget			6,958.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,958.00
	Balance			0.00	396.25	1562.19	0.00	512.78	0.00	0.00	100.00	0.00	2,571.22
	Income to date			6958.00	396.25	1562.19	0.00	512.78	0.00	0.00	100.00	0.00	9,529.22
15.4.19	Precept	D/C	1	6958.00									6958.00
25.4.19	Cumbria County Council	D/C	2			330.00							330.00
17.5.19	Farlam Parish Trust	D/C	3		396.25								396.25
22.11.19	League of Friends	D/C	4			1232.19							1232.19
4.12.19	Carlisle City Council	D/C	5								100.00		100.00
20.3.20	VAT - HMRC	D/C	6					512.78					512.78

**FARLAM PARISH COUNCIL
EXPENDITURE 2019/2020**

date	description	ref	chq	Clerks Wages	Admin Costs	Sec 137	DPO	Village Hall	Grants	Grass Cutting	Play area fudge	Insurance	Playarea	Subs	Members Training	Hall Hire	Audit Fees	Website	ICO	Misc repairs	Plants, lubs etc	Xmas tree	Maintenance of Assets	Assets	Val	Totals	
	budget			2,339.70	200.00	0.00	0.00	-300.00	0.00	1,292.00	150.00	875.00	310.00	180.20	1,250.00	90.00	10.00	20.00	40.00	250.00	100.00	110.00	250.00	0.00	0.00	0,350.90	
	balance			308.77	8.67	0.00	0.00	800.00	0.00	80.00	-150.00	-7.41	-198.01	21.08	-25.00	112.00	0.00	102.20	-45.00	-83.54	-100.00	-100.00	250.00	1804.80	456.11	2,942.70	
	Expenditure to date			2642.48	208.67	0.00	0.00	1100.00	0.00	1,371.90	0.00	567.59	-111.09	201.28	30.00	280.00	50.00	227.20	-5.00	186.46	9.00	10.00	0.00	1804.80	456.11	9,209.00	
5.4.19	HMR&C	1	100750	165.20																						165.20	
8.5.19	A Raddell	2	100751	330.48																						330.48	
	Ross Farrimond	3	100756							417.33																417.33	
	CALC	4	100757											174.80												174.80	
14.5.19	Zurich Insurance	5	100758									567.59														567.59	
	Village Hall Grant via CPCA	6	100759					1100.00																		1100.00	
11.6.19	Creative Solutions	7	100760																					662.70	132.54	795.24	
10.7.19	A Raddell	8	100761	330.48																						330.48	
	HMR&C	9	100762	82.40																						82.40	
	Whitley Systems	10	100763															107.20							21.44	128.64	
	Ross Farrimond	11	100764							417.33																417.33	
	Cubbys	12	100765																		36.00				7.20	43.20	
	cancelled	13	100766																							0.00	
	J Bailey	14	100767														50.00									50.00	
	A Shaw - magnets for board	15	100768																		10.48				2.09	12.55	
	Brampton PC	16	100769												30.00											30.00	
11.9.19	A Raddell	17	100770	330.48																						330.48	
	R Farrimond	18	100771							417.33																	417.33
	Hallbankgate Village Hall	19	100772																							192.00	
	HMR&C	20	100773	164.80																						164.80	
13.11.19	A Raddell	21	100774	330.48																						330.48	
	City of Carlisle	22	100775										50.00												10.00	60.00	
9.12.19	Medisave	23	100776																					1232.10	246.44	1478.63	
13.1.20	A Raddell	24	100777	330.48																						330.48	
	HMR&C	25	100778	82.40																						82.40	
	Huck nets	26	100779											61.99											12.40	74.39	
	R Farrimond	27	100780							100.00	150.00										120.00					370.00	
	A Jones	28	100781																				10.00			10.00	
11.3.20	A Raddell	29	100782	330.48																						330.48	
	HMR&C	30	100783	164.80																						164.80	
	HBG Village Hall	31	100784																							96.00	
	Brampton PC	32	100785		208.67									26.48												233.15	
	TEEC Ltd	33	100786																120.00						24.00	144.00	
	Chq w/off - 100748										-150.00															-150.00	
	Adj to D/D payment																		-5.00							-5.00	

FARLAM PARISH COUNCIL

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2020

RECEIPTS

Precept	£	6,958.00
CTRS Grant		
Parish Grant	£	-
Misc grants	£	1,562.19
Insurance		
From Village Hall funds		
From Farlam Parish Trust	£	396.25
Misc	£	100.00
Vat received	£	512.78

Total Income	£	9,529.22
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PAYMENTS

Staff	£	2,642.48
Grass cutting	£	1,351.99
Village Hall Grants & Other Donations	£	1,100.00
Grants	£	-
Insurance	£	567.59
Hall hire	£	288.00
Playarea	£	111.99
Admin	£	206.67
Subscriptions	£	201.28
Members	£	30.00
Audit fees	£	50.00
Vat	£	456.11
Website	£	227.20
Misc/repairs	£	176.46
Village Hall repairs	£	-
Assets	£	1,894.89
Sec 137	£	-
DPO/ICO	-£	5.00

Total Expenditure	£	9,299.66
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Excess of Income over Expenditure	£	229.56
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The above Statement represents fairly the financial position of the Parish Council at 31st March, 2020, reflects its receipts and payments during the year and was approved by the Parish Council at its meeting on 5th June 2020.


Chairman


Responsible Officer

5th June 2020

FARLAM PARISH COUNCIL

BALANCE SHEET AT 31st MARCH, 2020

Balance at 1st April, 2019				
per balance sheet at 31/3/19	£	4,585.37	£	4,585.37
Net surplus/(deficit) 2019/2020			£	229.56
Reserve Fund			£	4,814.93

Reserve Fund represented by HSBC Account	£	4,814.93
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Total	£	4,814.93
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The above Statement represents fairly the financial position of the Parish Council at 31st March, 2019 and reflects its income and expenditure during the year and was approved by the Parish Council at its meeting on 5th June, 2020.


Chairman


Responsible Officer

5th June 2020

FARLAM PARISH COUNCIL

SIGNIFICANT VARIATIONS FOR THE YEAR ENDED 31st MARCH, 2020

BOX 2 - PRECEPT

<u>2019</u>	<u>2020</u>	<u>Difference</u>	<u>% Difference</u>	
5730	6958	1,228	21.43%	Increase in precept in 2019/20 by 20% & no CTRS grant split

BOX 3 - TOTAL OTHER RECEIPTS

<u>2019</u>	<u>2020</u>	<u>Difference</u>	
2211	2571	360	
		<u>£ Difference</u>	<u>% Difference</u>
CTRS Grant	68	(68)	-100.00%
Vat	0	513	100.00%
Insurance	963	(963)	-100.00%
Small scales grant		100	100.00%
CPCA Grant	1,100	(1,100)	-100.00%
Farlam Parish Trust grant	0	396	100.00%
Misc grants	0	1,562	100.00%
Misc donation	80	(80)	-100.00%
2,211	2,571	360.00	

Being....
 CTRS Grant introduced y/e 2014 - discontinued for 2019/20
 2019 vat claimed post year end
 Village Hall now sources and pays its own insurance
 Grant received in 2019/20 from District Councillor as a contribution towards a Christmas tree
 Last year, grant relating to Village Hall paid through Parish Council from District Council (CPCA)
 No request last year - request this year towards noticeboard
 2019 no grant claimed, this year grant claimed for defibrillator & cabinet
 Last year donation received from resident towards Christmas tree for village

BOX 4 - STAFF COSTS

<u>2019</u>	<u>2020</u>	<u>Difference</u>	<u>% Difference</u>	
2478	2642	164	6.62%	

Being....
 Difference is down to PAYE of £164.80 for last 1/4 of 19/20 to 5.4.20 being paid in that year end

BOX 6 - TOTAL OTHER COSTS

<u>2019</u>	<u>2020</u>	<u>Difference</u>	<u>% Difference</u>	
3822	6657	2,835	74.18%	
		<u>Difference</u>	<u>% Difference</u>	
Grass cutting	1050	1352	302	28.76%
Village Hall grant	0	1100	1,100	100.00%
Insurance	1,495	568	(927)	-62.01%
Subscriptions	212	201	(11)	-5.19%
Hall hire	0	288	288	100.00%
Audit Fees	50	50	0	0.00%
Admin Costs	200	207	7	3.50%
Playarea	400	112	(288)	-72.00%
Members/training	0	30	30	100.00%
Vat	57	456	399	700.00%
Misc	135	176	41	30.37%
Assets	0	1,895	1,895	100.00%
Sec 137	0	0	0	0.00%
DPO/ICO	190	-5	(195)	-102.63%
Website	33	227	194	587.88%
Rounding	0	0	0	0.00%
3,822	6,657	2,835		

Being....
 Fewer cuts in 2019 due to weather
 Grant relating to Village Hall paid through Parish Council from District Council (CPCA)
 Reduction in cost as Village Hall now sources and pays its own insurance (see above)
 Slight decrease in SLCC subs & NALC subs now calculated separately from SLCC, CALC subs reduced as now calculated by square root of electorate
 No invoice received last year, now paid up to Nov 2020
 Only internal audit fee of £50.00 for both years
 Per stationery/copier use
 2019 includes £200 for repairs & £150 hedge cutting - remainder is inspection fee, 2020 includes £62 for repairs & £50 for inspection fee
 Contribution to Clerk attending NALC Expo and SLCC regional roadshow
 Per invoices
 2019 £35 for plants & £100 for Christmas tree - 2020 includes £120 cutting of misc area not included in grass cutting contract and £36 for noticeboard magnets and repairs
 No purchases in 2019 - 2020 noticeboard purchased for £662.70 and a defibrillator & cabinet for £1232.19
 No variance - no section 137 purchases
 2019 - £150 paid to LCPAS for Data Protection Officer & D/D set up for Information Commissioner - 2020 D/D reduced by £5 and ongoing D/D will come out of the bank account every May
 Website domain and platform transferred to new provider, costing £227.20 in total
 No variance

FARLAM PARISH COUNCIL

SCHEDULE OF ASSETS AT 31.3.2020

Ref. No	Description ASSETS	Identification	Date Acquired	Value	Custodian	Disposal/Discharge
1	Piece of land situate at the junction of the A689 road and Crossgates Road, Hallbankgate forming part of O.S. Field Number 158 (1900/1901 Edition): Bus shelter and carpark	Deed held at Cartmell Shepherd Solicitors Gill Place, Bampton. CA8 1SQ	13/03/1980	1,000	Farlam Parish Council	
2	War Memorial Farlam Church	Situated in Farlam Church Yard	Unknown	100.00	Farlam Parish Council	
3	Play area equipment	Situated on leased land on Crossgates rd. 2 bay junior swing Toddler swing Jupiter Parrot seesaw City 1.5m free standing slide Tyre traverse Burma bridge Webnet Bandrake seat Timber slatted bin	14/04/2008	 2371.00 723.00 1335.00 1298.00 1560.00 928.00 668.00 1615.00 326.00 236.00	Farlam Parish Council	
4	Lawn mower	Orange	06/05/2009		Cllr. A Shaw on behalf of Farlam Parish Council	Disposed March 2019
5	Lawn mower	Lawnflite	26/05/2011		Cllr. A Shaw on behalf of Farlam Parish	Disposed March 2019
6	Bus Shelter	Situated on land owned by Parish Council described in item 2 above.	12/08/2009	9545.00	Cllr. S. Bowles on behalf of Farlam Parish	
7	Noticeboard at Tindale	Magnetic noticeboard	unknown	250.00	Farlam Parish Council	
8	Noticeboard at Hallbankgate Hub	Wooden, double	unknown	250.00	Farlam Parish Council	
7	Notice Board at Farlam	Oak with carving	10/05/2010	300.00	Farlam Parish Council	
8	Photocopier	HP Colour Laser Jet CM2320Fxi	09/07/2010		Cllr. S. Bowles on behalf of Farlam Parish	Disposed March 2019
9	Notice Board	Lynester, single door red glaze	09/01/2014		Farlam Parish Council	Disposed August 2019
10	Laptop/printer	HP 250 G4 & Epson XP-432	13/05/2016	427.49	Cllr. R. Hinton on behalf of Farlam Parish	
11	Noticeboard at Village Hall	Magnetic noticeboard	07/08/2019	662.70	Farlam Parish Council	
12	Heartsine defibrillator & cabinet	Located at HBG School	14/10/2019	1232.19	Farlam Parish Council	
			TOTAL	24,827.38		

Was £461,3