

**OGBOURNE ST GEORGE PARISH COUNCIL
FULL COUNCIL 14 JUNE 2018**

**AGENDA ITEM 3: ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN
(AGAR) REPORT 2017-2018**

Background

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 AGAR in accordance with Proper Practices, unless the authority:

- a) does not meet the qualifying criteria
- b) does not wish to certify itself as exempt

Smaller authorities where the higher of gross annual income or gross income expenditure **does not exceed** £25,000 and meet the qualifying criteria as set out in the Certificate of Exemption are exempt from sending the completed AGAR to the external auditor for a limited assurance review **provided** the authority **completes both** the

A) Certificate of Exemption (page 3) and returns it to the External Auditor

B) AGAR (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 by the authority
- Section 2 – Accounting Statements (page 6) to be completed by the authority
 - Analysis of variances
 - Bank reconciliation
 - Notice of the period for the exercise of public rights

A) Certificate of Exemption

By signing the exemption certificate Council is confirming that:

By signing this Certificate of Exemption you are confirming that the authority has been in existence since before 1st April 2014.

In relation to the preceding financial year (2016/17), 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an advisory notice under paragraph 1(1) of Schedule 8 to the Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice commenced judicial review proceedings under section 31(1) of the Act made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration.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 submitted to the external auditor.

The Annual Internal Audit Report, Annual Governance Statement, Annual 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 2 July 2018. By signing this certificate you are also confirming that this will be done.

(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 2018 and a completed Certificate of Exemption is submitted notifying the external auditor.)

B) AGAR (Part 2) which is made up of:

Annual Internal Audit Report (page 4) to be completed by the authority's internal auditor. See attached the Internal Auditor's Report and recommendations. Council should consider responses to assertions 5 and 7 on Section 1 of the AGAR 2017/18. Although Council has prepared a Risk Assessment this was adopted on 10 May 2018 and not approved during 2017/18.

Section 1 – Annual Governance Statement (page 5) to be completed by the authority. See attached AGAR and consider responses as detailed above.

Section 2 – Accounting Statements (page 6) to be completed by the authority

a) Analysis of variances – anything significant eg. +/- 15% variance from the previous year should be explained. See below.

| Box on Section 2 Accounting Statements | (a) 31 March 2017 £ | (b) 31 March 2018 £ | (c) % Variance | (d) Explanation required? |
|---|----------------------------|----------------------------|-----------------------|---|
| Box 2 – Precept | 9,000 | 9,277 | -3.1 | No |
| Box 3 – Total other receipts | 1,602 | 514 | -68 | Yes No grants and lower VAT reclaim in 17/18 |
| Box 4 – Staff costs | 2,173 | 2,145 | -1.3 | No |
| Box 5 – Loan Interest etc. | n/a | n/a | n/a | n/a |
| Box 6 – All other payments | 5,343 | 4,494 | -16 | Yes No street lighting maintenance and reduced lighting utility costs in 17/18 |
| Box 9 – Total fixed assets etc. | 16,995 | 16,995 | 0 | No |
| Box 10 – Total borrowing | n/a | n/a | n/a | n/a |

- **Bank Reconciliation** – see attached.
- **Notice of the period for the exercise of public rights and other information required by Regulation 15 (2). Accounts and Audit Regulations 2015.** – see attached notice for Monday 2 July 2018 and Friday 10 August 2018.