

# 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.



## Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

### BADWELL ASH 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:

09/05/2023

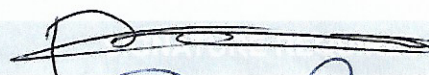
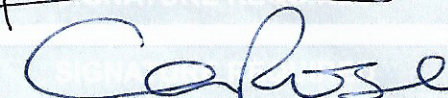
and recorded as minute reference:

8.2

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

Chairman

Clerk

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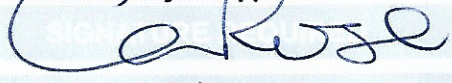
## Section 2 – Accounting Statements 2022/23 for

### BADWELL ASH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	78,113	91,824	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	23,297	23,995	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	21,805	93,065	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	4,926	7,452	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	26,466	69,777	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	91,823	131,655	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	78,113	131,655	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	48,716	97,246	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)			
11b. Disclosure note re Trust funds (including charitable)			✓

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 09/05/2023

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

09/05/2023

as recorded in minute reference:

8.2

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





BADWELL ASH PARISH COUNCIL

BANK RECONCILIATION FOR YEAR ENDING 31 MARCH 2023

BANK ACCOUNTS:

		£	£
HSBC	A/c 42493276		131655.32

LESS UNPRESENTED CHEQUES	0		
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ADD UNCLEARED PAYMENTS

None		0.00	
		<u>131655.32</u>	

ADD PETTY CASH

Petty Cash not operated		0.00	
		<u>131655.32</u>	

ADD SHORT TERM INVESTMENTS

None		0.00	
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TOTAL		<u>131655.32</u>	
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Box 8 in Section 1 of the Annual Return		131655	
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Does total equal value in Box 8		YES	
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Carole Rose  
Responsible Financial Officer  
01/04/2023



## Explanation of variances – pro forma

Name of smaller authority: **BADWELL ASH**

County area (local councils and parish meetings only): **SUFFOLK**

Please provide full explanations, including numerical values, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2021/22 £	2022/23 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
<b>Box 2</b> <i>Precept or Rates and Levies</i>	23297	23995	698	2.99	
<b>Box 3</b> <i>Total other receipts</i>	21805	93064	71259	326	Receipts up due to CIL grants of 81,830 this year.
<b>Box 4</b> <i>Staff costs</i>	4926	7452	2526	51.2	Clerk's hours increased from 7pw to 12 pw plus increase in hourly rate.
<b>Box 5</b> <i>Loan interest/ capital repayments</i>	0	0	0	0	N/a
<b>Box 6</b> <i>All other payments</i>	26466	69776	43310	163.6	<u>Increases:</u> Broadsheet 621 Hall hire 298 Donations 636 Training & publications 458 Equipment 38001 VAT 7683 Stationery <u>138</u> 47835 <u>Decreases:</u> Prof fees 1915 Grounds maintenance 877 Street lighting <u>1872</u> 4665  47835-4665 = 43170
<b>Box 9</b> <i>Total fixed assets &amp; long term investments &amp; assets</i>	48716	97246	48530	99.6	Fixed Assets increases: Defib £2990 Playground £20987 Fencing £12396 LED streetlights £4102 Solar lighting £3825 Picnic table £820 Flower Troughs £2320 Village Gates £975 = £48415
<b>Box 10</b> <i>Total borrowings</i>	0	0	0	0	N/a
<b>Explanation for 'high' reserves</b>	Box 7 (£131,655) is more than twice Box 2 (£23,995) because the Parish Council had held over reserves for uncompleted projects during Covid which we were able to implement this year. In addition we were allocated additional CIL grant money this year as a result of a house building increase within the village:				



Upgrade to LED streetlighting £4,102  
 Solar lighting around village hall £3,825  
 White wooden village gates £975  
 Two pieces of play equipment for baby playground £20,987  
 Four flower troughs for the village £2,320  
 Octagonal picnic table for children's playground £820  
 ROSPA metal fencing to children's playground £12,396  
 Double glazed security doors to village hall entrance £2,370  
 Donation for village Platinum Jubilee party £250  
 Solar cabinet and defibrillator £2990  
 Bird box offer for village residents £2,000  
 Total £53,035

£55,099 CIL surplus held over to put towards Stage 2 of the playground for older children/adults – planned for 2023/2024. £10,000 held over for further village hall improvements. £2,000 for the King's Coronation in May 2023 and £3,000 to purchase the freehold of the Village Hall driveway from a property developer.

Working funds £23,521

$£53,035 + £55,099 + £23,521 = £131,655$



# BADWELL ASH PARISH COUNCIL

## NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN (EXEMPT AUTHORITY)

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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

NOTICE	NOTES
<p>1. Date of announcement <u>20 May 2023</u> (a)</p> <p>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.</p> <p>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 2023, these documents will be available on reasonable notice by application to:</p> <p>(b) Carole Rose: Responsible Financial Officer Old Pit Cottage, Richer Road, Badwell Ash, Suffolk IP31 3EU 01359 259045 badwellashpc@outlook.com</p> <p>commencing on (c) <u>Monday 12 June 2023</u></p> <p>and ending on (d) <u>Friday 28 July 2023</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none"><li>The opportunity to question the appointed auditor about the accounting records; and</li><li>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.</li></ul> <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>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:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 1 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-littlejohn.com)</p> <p>5. This announcement is made by (e) Carole Rose, Responsible Financial Officer</p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>



# Annual Internal Audit Report 2022/23

## BADWELL ASH PARISH COUNCIL

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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.	PC SYSTEM NOT OPERATED		
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).	✓		
O. (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

02/05/2023

MALCOLM SAUNDERS

Signature of person who carried out the internal audit

*Malcolm Saunders*

Date

04/05/2023

\*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).