

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:
• where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
• where the higher of gross income or gross expenditure was £25,000 or less but that:
• are unable to certify themselves as exempt (fee payable); or
• have requested a limited assurance review (fee payable)

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

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.

2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:

- The Annual Internal Audit Report must be completed by the authority's internal auditor.
- Sections 1 and 2 must be completed and approved by the authority.
- Section 3 is completed by the external auditor and will be returned to the authority.

3. The authority must approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both must be approved and published on the authority website/webpage before 1 July 2023.

4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with

neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, must return to the external auditor by email or post (not both) no later than 30 June 2023. Reminder letters will incur a charge of £40 + VAT.

• the Annual Governance and Accountability Return Sections 1 and 2, together with

• a bank reconciliation as at 31 March 2023

• an explanation of any significant year on year variances in the accounting statements

• notification of the commencement date of the period for the exercise of public rights

• Annual Internal Audit Report 2022/23

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

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

Publication Requirements

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

Before 1 July 2023 authorities must publish:

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

Not later than 30 September 2023 authorities must publish:

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

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

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*For a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

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

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor. Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initiated.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2023.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- **You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred. Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July. The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2023**.

Completion checklist – 'No' answers mean you may not have met requirements		
Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Have all highlighted boxes have been completed?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Have all highlighted boxes been completed by the internal auditor and explanations provided?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Section 1
<input checked="" type="checkbox"/>	<input type="checkbox"/>	For any statement to which the response is 'no', has an explanation been published?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Section 2
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has an explanation of significant variations been published where required?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has the bank reconciliation as at 31 March 2023 been reconciled to Box 8?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has an explanation of any difference between Box 7 and Box 8 been provided?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sections 1 and 2
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.

*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

SLIP END PARISH COUNCIL

W W W. SLIP END PARISH COUNCIL, CO. UK

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective		Yes	No*	Not covered**
A.	Appropriate accounting records have been properly kept throughout the financial year.	✓		
B.	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C.	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D.	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E.	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F.	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
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, 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 8/6/2023

Name of person who carried out the internal audit R.K. FOSTER

Signature of person who carried out the internal audit

R.K. Foster

Date 8 June 2023

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

SLIP END 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.	<input checked="" type="checkbox"/>	
2.	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
6.	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input checked="" type="checkbox"/>	
7.	We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	

*Yes means that this authority:

prepared its accounting statements in accordance with the Accounts and Audit Regulations.		<input checked="" type="checkbox"/>	
made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.		<input checked="" type="checkbox"/>	
has only done what it has the legal power to do and has complied with Proper Practices in doing so.		<input checked="" type="checkbox"/>	
during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.		<input checked="" type="checkbox"/>	
considered and documented the financial and other risks it faces and dealt with them properly.		<input checked="" type="checkbox"/>	
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.		<input checked="" type="checkbox"/>	
responded to matters brought to its attention by internal and external audit.		<input checked="" type="checkbox"/>	
disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.		<input checked="" type="checkbox"/>	
has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.	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.

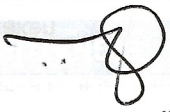
This Annual Governance Statement was approved at a meeting of the authority on:

19-6-23

and recorded as minute reference:

23/24/243

Chairman



Clerk

Tracy O'Neil

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

SLIP END PARISH COUNCIL

Section 2 – Accounting Statements 2022/23 for

ENTER NAME OF AUTHORITY

to request n

Notes and guidance Year ending

Year ending	31 March 2023	31 March 2022	£
1. Balances brought forward	101,138	109,654	£
2. (+) Precept or Rates and Levies	55,000	55,000	£
3. (+) Total other receipts	2090	4243.00	£
4. (-) Staff costs	18,104	18,253	£
5. (-) Loan interest/capital repayments	NIL	NIL	£
6. (-) All other payments	29,470	36,536	£
7. (=) Balances carried forward	109,654	114,108	£

8. Total value of cash and short term investments	109,654	114,108	£
9. Total fixed assets plus long term investments and assets	137,205	139,667	£
10. Total borrowings	NIL	NIL	£

For Local Councils Only	Yes	No	N/A
11a. Disclosure note re Trust funds (including charitable)			
11b. Disclosure note re Trust funds (including charitable)			

The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.	
The figures in the accounting statements above do not include any Trust transactions.	

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Tracy O'Neill

Date 19-6-23

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

19-6-23

as recorded in minute reference: 23/24/246

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

In respect of

Slip End Parish Council

1 Respective responsibilities of the auditor and the authority

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

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>. This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2022/23

Except for the matters reported below on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with *Proper Practices* and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The Council has not fully implemented recommendations made in 2021/22 external audit reports as the Council has not created earmarked reserves or taken action to reduce the general reserve. The Council answered yes to the relevant assertion in the 2022/23 Annual Governance Statement (assertion 7), claiming it has taken appropriate action in respect of audit reports.

In future, the Council should ensure that appropriate action in response to audit recommendations is taken within a reasonable time.

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

The Council holds general reserves of £114,108 compared to its annual precept of £55,000 and expenditure of £54,789.

The Council has no powers to hold revenue reserves for general purposes other than for reasonable working capital and should formally consider earmarking funds for specific purposes as part of 2024/25 budget setting.

3 External auditor certificate 2022/23

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Act 2014, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

*We do not certify completion because:

Not applicable.

External Auditor Name

Mazars LLP, Newcastle upon Tyne, NE1 1DF

External Auditor Signature

Mazars LLP

Date

12 September 2023