

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.

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 initialled.
- 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
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?	✓	
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', has an explanation been published?	✓	
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	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 been published where required?	✓	
	Has the bank reconciliation as at 31 March 2023 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	NIL	
Sections 1 and 2	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

Annual Internal Audit Report 2022/23

Horspath Parish Council

<https://horspathparishcouncil.org/>

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, 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)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

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

26/05/2023

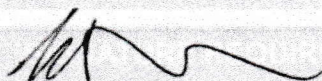
01/06/2023

10/06/2023

Name of person who carried out the internal audit

Lisa Wilkinson

Signature of person who carried out the internal audit



Date

10/06/2023

*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:

HORSPATH 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’ means that this authority:
	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
	✓		
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

***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:

97/23

HK.

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

Chairman

B M Oakley

Clerk

HK eger.

www.horspathparishcouncil.org

Section 2 – Accounting Statements 2022/23 for

HORSPATH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	10553	19870	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	40000	45000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	4422	18321	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	10634	38305	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	24471	34974	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	19870	9912	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	19870	9912	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	550194	550194 ^{HK} 55489	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 ^{HK} 418123	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)	✓			The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)	✓			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

HK Logel

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:

98/23

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

BMOakley

Notes to the Accounts- For Year Ending 31 March 2023.

1) **INVESTMENTS – The Council has no investments at present.**

2) **ASSETS -** At 31 March 2023 the following assets were held:-

a) Parish Council Assets

2 x Bus Shelters	1.00
Conservation Area	1.00
Village Green	1.00
Children's Playground	1.00
Bowley & Recreation Fields	1.00
Stone Pit	1.00
Burial Ground	1.00

b) Other Assets

Village Hall	450684.00
Nursery Site Unit (purchased December 1998)	1.00
Playground Equipment	44,424.45
Mowers/Strimmer	1.00
Tractor	2,400.00
Pumping Station Land (purchased May 1996)	1.00
Height Restriction Barriers (purchased May 1999)	1.00
Wooden Seats/Picnic Tables	1.00
Scout Hut	50,000.00
2 x Defibrillators	2,674.00
TOTAL	550,194.45

3) **LEASES -** At 31 March 2023 the following leases were in operation:-

Lessor	Purpose	Expiry	Annual Lease
Transit Holdings	Bus Depot	25/03/64	250,000.00 (Not subject to S137)
Horspath Nursery	Nursery School	31/12/41	240.00
SEB	Sub-Station	Indefinitely	0.50
Pubmaster	Chequers Car Park	14/11/28	2850.00

4) **DEBTORS -** At 31 March 2023 there is £3658.23 vat to be claimed.

5) **BORROWINGS**

At 31 March 2023 there were no loans outstanding.

6) **CREDITORS -** At 31 March 2023 there were no creditors to report.

7) **SECTION 137 PAYMENTS**

The limit for spending under Section 137 of the Local Government Act 1972 for this Council in the year of account was £8,309.44, (based on 1129 residents x £7.36 per head). The following payments were made:-

Wheatley Park School	150.00
TOTAL	£150.00

HORSPATH PARISH COUNCIL

Clerk: Mrs Hayley Kogel, 63 Bowyer Road, Abingdon, Oxon. OX14 2EP
Tel/Fax: 01235 534710

Bank Reconciliation 2021/2022

Bank Balance at 31st March 2023

Community Account	£ 127.55
Business Premium Account	£ 0.49
Business Premium Account	£9783.85
Total	£9911.89

Total	£9911.89
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Bank Balance c/fwd 31st March 2022	£19,869.67
Plus Receipts 2022/2023	£63,321.14
Minus Payments 2022/2023	£73,278.92

Bank Balance at 31st March 2023	£9911.89
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Hayley Kogel
Clerk to Horspath Parish Council

Notes to accompany Annual Return for Year Ending 31 March 2023 for Horspath Parish Council.

Reasons for significant variances are as follows:-

Box 1 – Balances Brought Forward

The balance brought forward in 2022/23 is higher than the previous year due to March invoices (£7961.47) not being processed until after 1st April 2022.

Box 3 – Total Other Receipts

Receipts in 2022/23 were higher than 2021/22 due £6885.00 being received in grants/donations, £6411.00 received as CIL money from South Oxfordshire District Council, and £900.00 received from the Environment Agency for back dated rent.

Box 4 – Staff Costs

Staff costs have increased in 2022/23 due to Horspath Parish Council increasing the Clerks working hours from 12 hour p/w to 20 hours p/w in October 2022 which increased the Clerks salary by approximately £2400.00 from October 2022 – March 2023.

A total payment of £4650.00 was paid to the Clerk to cover legal fees and a settlement agreement with Horspath Parish Council.

Approximately £10,500.00 was paid to the Clerk to cover payment in lieu of holidays since the start of her employment.

Due to the above payments, employer contributions have increased this financial year to £8711.59.

Box 6 – All Other Payments

Horspath Parish Council incurred additional costs in 2022/23 for projects:-

£1105.00 on tree works.

£3000.00 on architect's fees.

£1600.00 on legal fees.

£4587.00 on HR Consultancy fees.

Box 7 Balances Carried Forward

The balance carried forward is lower this year due to the increased expenditure during 2022/23 as listed in Box 6. Also additional payments made to the Clerk for payment in lieu of holiday entitlement has resulted in a lower sum carried forward.

Box 8 Total Value of Cash & Short Term Investments

As explained in Box 7.

Summary Receipts & Payments - Yr Ending 2022/23							
Receipts & Payments 21/22	Activity				Receipts & Payments 22/23		
10552.70	Bank Balance B/Fwd 31.3.22				19869.67		
	Burial Ground				0.00		
	Village Hall Refurbishment				0.00		
4178.37	CIL				4178.37		
	Services/Street Lights				0.00		
	Traffic Calming				0.00		
6374.33	NET BALANCE FOR EXPENDITURE AT 31.3.22				15691.30		
	RECEIPTS 1.4.22 - 31.3.23						
40000.00	Precept				45000.00		
	Donations				400.00		
	Field	Bore Hole - Bowley Field			900.00		
	HSPC Grants				6485.00		
445.00	Burial Ground				1160.00		
2.14		Bank Interest			72.96		
	Grants	Minibus Trial & Legal Fees			0.00		
		Misc			214.94		
240.00		Horspath Nursery			240.00		
	Other	CIL Payment			6411.78		
		Valuation/Insurance Claims			180.00		
		Southern Electric			0.00		
3735.21		VAT Repayment			2256.46		
44422.35	TOTAL RECEIPTS				63321.14		
	Payments 1.4.22 - 31.3.23						
9341.45	Admin	Clerk Salary			24943.17		
4049.71		Admin Expenses			4389.82		
0.00		Employer Contributions			8711.59		
485.00		Audit			485.00		
3219.00		Legal Fees/Valuation			6253.00		
750.00		Hedge Cutting			0.00		
		HR Consultant			4587.50		
3376.37	Insurance	Parish			3745.14		
0.00	Services	Minibus Trial			0.00		
1054.50		Burial Ground			1064.66		
1934.85		Mower/Strimmer/Tractor Costs			330.00		
620.00		Bus Shelter Cleaning			860.00		
2385.24		Dog Bins			788.58		
421.44		General Repairs & Maintenance			1461.97		
2070.46	Projects	Village Hall			2939.49		
2184.00		Grass Cutting Recreation Ground			2380.00		
285.50		Play Area			1802.50		
		Tree Works			1105.00		
		New Village Hall			3000.00		
0.00	Misc				0.00		
417.26	Subscriptions	OALC/OPFA/OGBN/ORCC			492.60		
0.00	Section 137	Miscellaneous			0.00		
150.00		Wheatley Park			150.00		
0.00		Horspath Hub			0.00		
2256.46		VAT Paid			3658.23		
104.14	Conservation Area				130.67		
35105.38	TOTAL PAYMENTS FOR YR END 31.3.23				73278.92		
19869.67	BALANCE CARRIED FORWARD 31.3.23				9911.89		
4178.37	Minus Reserves				4178.37		
15691.30	Total Balance Available 31.3.23				5733.52		
	THESE ACCOUNTS ARE UN-AUDITED.						

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