Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

CASTLE BROMWICH 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*	'Yes' means that this authority:
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:

24 June 2020

and recorded as minute reference:

20-06/9.viii

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

Chairman P.S. [signature]

Clerk Ivonne Smi

Other information required by the Transparency Codes (not part of Annual Governance Statement)
Authority web address

https://www.castlebromwichpc.gov.uk/

Castle Bromwich Parish Council

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The Council is required to supply reasons for 'no' responses

WA0050 Castle Bromwich Parish Council

Explanation for provision of 'No' response to Assertion 2
Assertion 2 states: We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. ('Yes' means the council made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.)

Reason for 'no' response
The council carried out a review of its internal controls in January 2019 and was therefore confidently able to tick 'yes' in last year's responses. Unfortunately, during the 2019/20 financial year, the council office was under-manned and the appropriate procedures for reviewing policies and system evaluations were discontinued.

During the latter quarter of the year, Council members and staff were made aware of the lack of robustness in their procedures and the Council agreed to follow a programme of improvements which was to have commenced in March 2020. However, due to Covid-19 lockdown, the Council was again hampered in its attempts to move forwards and was unable to carry out the planned work before the end of the financial year.

For reference the Council's plan for improvement is continuing through a sequence of working group online meetings that report to the Finance Committee and the Council's monthly online meetings. In addition, steps are being taken to appoint a Clerk and Responsible Financial Officer to fill the current vacancy.

Explanation for provision of 'No' response to Assertion 4
Assertion 4 states: We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. ('Yes' means the council during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.)
The external auditor made the following comment when certifying the 2018/19 AGAR:

> "The smaller authority failed to approve the AGAR in time to publish it before 1 July 2019, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1."

And

> "Other matters not affecting our opinion which we draw to the attention of the authority:
> We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2019/20 for the exercise of public rights, since the period for the exercise of public
> rights did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2019/20 and ensure that it makes proper provision for the exercise of public rights during 2020/21."

Reason for 'no' response
During the summer of 2019 the council experienced a loss of administrative office support at the same time that the Annual Governance and Accountability Return was due to be approved by the council and published to conform to the Accounts and Audit Regulations.

Office staff were unaware of the requisite audit timing requirements and therefore did not pass on to the council the correct procedure for moving forward.

Upon receipt of the external auditor's final report and certificate the external auditor's comments were noted at the council meeting held 27/11/2019 after full consideration at the meeting of the council's Finance and General Purposes committee on 13/11/2019.

Description of how the parish council will address the weakness identified
The council has appointed an experienced Clerk as Support Officer to the existing staff. The previous Assistant Clerk became the 'Interim Acting Clerk' during the Acting Clerk's absence and since the Acting Clerk left the council is now referred to as Acting Clerk.

The Support Officer has clarified the audit procedure for existing staff and the council, and the council is now more confident of moving forward in accordance with the Accounts and Audit Regulations, whilst aware of the revised regulations relating to Covid-19.

The Council's attention has been drawn to the detailed guidance produced by the external auditor and each member has been supplied with a copy of **"Instructions relating to the Annual Governance and Accountability Return (AGAR) for the year ending 31 March 2020"** which has been documented in the minutes of the meeting held on 24/06/2020 at which the AGAR was approved. Each member has also received a copy of the JPAG Practitioners' Guide.

Explanation for provision of 'No' response to Assertion 5
Assertion 5 states: 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. ('Yes' means the council has considered and documented the financial and other risks it faces and dealt with them properly.)

Reason for 'no' response
During the summer of 2019 the council experienced a loss of administrative office support at the same time that the Annual Governance and Accountability Return was due to be approved by the council and published to conform to the Accounts and Audit Regulations.

The office staff were not aware of the council's ongoing governance arrangements or the requirements relating to review of internal controls and insurance arrangements and as this was an 'unknown' it was not brought to the attention of the council.

Description of how the parish council will address the weakness identified
The council has appointed an experienced Clerk as Support Officer to the existing staff. Additionally, arrangements were made for an interim internal audit to be undertaken in January 2020 to help identify weaknesses and highlight how the council can improve its governance arrangements.

Upon receipt of the interim internal audit report, the council agreed to move forward with the production of an action plan and they are addressing the issues raised therein, including having an improved understanding of the council's internal controls and risk assessment duties. The Action Plan, a working document, has been agreed by the Council since the end of the 2019/20 financial year and is being worked on by a working party under direction of the finance committee to which it reports.

Various actions arising from the Plan, such as reviewing the council's Standing Orders and Financial Regulations have already taken place and improvements will continue by way of regular review. The external insurance cover had previously been managed by way of an ongoing 3-year contract. The Council is aware that the cover must be reviewed in any case and before the end of the 3-year period, and will schedule this review into the programme of meetings for the year.
Signed:..... Chairman, Castle Bromwich Parish Council Date: 24th June 2020

Section 2 – Accounting Statements 2019/20 for

CASTLE BROMWICH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	*Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.*
1. Balances brought forward	182,398	245,491	*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	297,839	327,624	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	124,078	95,333	*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	206,889	248,797	*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	151,935	261,234	*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	245,491	158,417	*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	268,940	238,839	*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	3,413,721	3,413,721	*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).*

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.*
		✓	*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

Ivonne Smi

Date 09/06/2020

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

24/06/2020

as recorded in minute reference:

20-06/9bix

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

P. S