

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

Kempston Rural 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 2021, 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
	☐	☐	☒
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*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:

20/05/2021

and recorded as minute reference:

MIN 10v. REFERENCE

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

Chairman

Clerk

[Signature] REQUIRED
S. Bottoms ED

www.kempstonrural-pc.gov.uk WE ADDRESS

Section 2 – Accounting Statements 2020/21 for

Kempston Rural Parish Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	127,702	129,251	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	28,105	28,105	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	30,116	2,018	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	7,085	7,631	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	49,587	31,387	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	129,251	120,356	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	129,251	120,356	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	81,104	79,031	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	NIL	NIL	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 2021 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

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

Date

19/05/2021

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

20/05/2021

as recorded in minute reference:

10vi REFERENCE

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

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

Annual Internal Audit Report 2020/21

Kempston Rural Parish Council

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During the financial year ended 31 March 2021, 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 2020/21 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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 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

17/05/2021

DD/MM/YYYY

DD/MM/YYYY

E KIM WEBB

INTERNAL AUDITOR

Signature of person who carried out the internal audit

K Webb

REQUIRED

Date

17/05/2021

*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).

KEMPSTON RURAL PARISH COUNCIL

Year ended 31st March 2021

Notes to internal control objective where response is "Not Covered"

Ref

F

No petty cash is held, and no petty cash expenditure was made during the year.
Occasional small items of expenditure are incurred by individuals and reimbursed by bank payment, fully supported by invoice

K The authority correctly completed part 3 AGAR in 2019/20, and had a limited assurance review in that year.

L Annual turnover is more than 25K

K 12/06/21

Kempston Rural Parish Council
Bank Reconciliation at 31st March 2021

Bank Balances at 31st March 2020		
Business Reserve	£	129,012.62
Current	£	400.00
	<u>£</u>	<u>129,412.62</u>
Less outstanding cheques		
881	£	62.40
882	£	27.50
884	£	<u>72.00</u>
	£	161.90
	<u>£</u>	<u>129,250.72</u>
Income received during 2020-21		
	£	30,122.95
	£	159,373.67
Less expenditure during 2020-21		
	£	39,017.89
Balance as per cashbook		
	£	120,355.78
Bank Balances at 31st March 2021		
Business Reserve	£	123,127.40
Current	£	400.00
	<u>£</u>	<u>123,527.40</u>
Less outstanding cheques		
928	£	3,171.60
	<u>£</u>	<u>120,355.80</u>
Balance per cashbook 1st April 2020		£ 129,250.72
Plus Income 2020-21		£ 30,122.95
Less Expenditure 2020-21		£ 39,017.89
	<u>£</u>	<u>120,355.78</u>

Analysis of Variance between 2019-20 and 2020-21

<u>Box No</u>	<u>Value</u> <u>2019-20</u> <u>(£)</u>	<u>Value</u> <u>2020-21</u> <u>(£)</u>	<u>Amount</u> <u>(£)</u>	<u>Explanation (£)</u>
3	30,116	2,018	£28,098	In 2019-20 income was greater than in 2020-21 in the following areas: double precept paid in error by Bedford Borough Council (£28,105.21), refund of cleaning charges of £672 and extra interest of £225.80. This totals £29,003 In 2020-21 income was greater only in additional VAT reclaimed of £904.98. The difference between this and £29,003 explains the difference.
4.	£7,085	7,631	£546	This is explained by a salary increase for 20-21 but also correction by the payroll provider (Bedford Borough Council) who had failed to put through an increase for the previous year which meant an additional payment of £316.90 in Oct 20.
6.	£49,587	31,387	£18,200	There was more expenditure in 2019-20 than in 2020-21 in the following areas: Overpayment of Precept of £28,105.21, lighting £1,238.76, churchyard £275, website £449, newsletter £156, cleaning £675. This totals £30,898.97. In 2020-21 there was more expenditure in the following areas, defibrillators £10,000, play space £1,971.41, tomb works £500 and £227.56 general admin. This totals £12,698.97. The difference between the two years equals £18,200.

7. and 8.	129,251	120,356	-£8,895	Allocation of Reserves Contingency fund Play Space Reserve CIL CIL CIL Replacement VAS Good Neighbours Project S106 Contribution towards Speed Limit change Total	As at 1/04/20 £23,898.81 £13,010.00 £ 3,072.35 £27,378.00 £3,391.56 £3,000.00 £500.00 £50,000.00 £5,000.00 £129,250.72	As at 31/03/21 £25,203.88 £13,010.00 £0 £20,450.35 £3,391.56 £3,000.00 £300.00 £50,000.00 £5,000.00 £120,355.79
9.	£81,104	79,031	-£2,073	In 2020-21 CIL monies have been spent on the defibrillators (£10,000) and a £200 grant to Good Neighbours. Undesignated reserves still remains in the acceptable range of 3-12 months of annual precept.	In 2020-21 we reduced our lighting columns from 38-27 as they had been amalgamated into an adjacent parish. This was a pro rata reduction of £12,072.64 but we acquired 5 defibrillators at a cost of £10,000,	