

# Annual Governance and Accountability Return 2019/20 Part 2PM

**ONLY to be completed on behalf of PARISH MEETINGS OF PARISHES NOT HAVING PARISH COUNCILS**, where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to certify themselves as exempt from a limited assurance review.

## Guidance notes for Parish Meetings on completing Part 2PM of the Annual Governance and Accountability Return 2019/20

- Every Parish Meeting in England where the higher of all gross income **or** gross expenditure was £25,000 or less **must**, following the end of each financial year, complete Part 2PM of the Annual Governance and Accountability Return in accordance with *Proper Practices*, unless the Parish Meeting:
  - does not meet the qualifying criteria for exemption; or
  - does not wish to certify itself as exempt
- Parish Meetings where the higher of all gross annual income **or** gross annual expenditure **does not exceed** £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** that the Parish Meeting **completes**:
  - The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email **or** by post (not both) **no later than 30 June 2020**. Failure to do so will result in reminder letter(s) for which the Parish Meeting will be charged £40 +VAT for each letter; and
  - The **Annual Governance and Accountability Return (Part 2PM)** which is made up of:
    - **Annual Internal Audit Report (page 4)** to be completed by the Parish Meeting's internal auditor.
    - **Section 1 – Annual Governance Statement (page 5)** to be completed and approved by the Parish Meeting.
    - **Section 2 – Accounting Statements (page 6)** to be completed and approved by the Parish Meeting.

**NOTE: Parish Meetings certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.**
- The Parish Meeting **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved and published or displayed **before 1 July 2020**.

## Publication Requirements

Parish Meetings **must** publish or display various documents as required by the Accounts and Audit Regulations 2015, and the Local Audit (Smaller Authorities) Regulations 2015. Parish Meetings without a website must display the documents in the local area for 14 days. These include:

- **Certificate of Exemption**, page 3
- **Section 1 – Annual Governance Statement 2019/20**, page 5
- **Section 2 – Accounting Statements 2019/20**, page 6
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

## Limited Assurance Review

Provided that the Parish Meeting certifies itself as exempt, and completes and publishes the documents listed in the preceding section headed 'Publication Requirements', there is **no** requirement for the Parish Meeting to have a limited assurance review.

Any Parish Meeting may, however, request a limited assurance review. In these circumstances the Parish Meeting should not certify itself as exempt and should not complete the Certificate of Exemption. Instead it should complete Part 3PM of the Annual Governance and Accountability Return 2019/20 and return it to the external auditor for review together with the supporting documentation requested by the external auditor.

The cost to the Parish Meeting for the review will be **£200 +VAT**.



## Guidance notes for Parish Meetings on completing **Part 2PM** of the Annual Governance and Accountability Return 2019/20, Sections 1 and 2

- A Parish Meeting that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting held between 1 April and 30 June 2020. It should not submit its Annual Governance and Accountability Return to the external auditor.
- The Certificate of Exemption should be returned to the external auditor no later than 30 June 2020. Reminder letters will incur a charge of £40 +VAT.
- The Parish Meeting **must** comply with *Proper Practices* in completing Sections 1 and 2 of its Annual Governance and Accountability Return and the Certificate of Exemption. 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.
- The Parish Meeting **should** receive and note the annual internal audit report before approving the annual governance statement and the accounts.
- Make sure that the Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Avoid making amendments to the completed annual return. Any amendments must be approved by the Parish Meeting and properly initialled.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness at the meeting at which it is signed off.
- **You should inform your external auditor about any change of Chairman, and provide a relevant email address and telephone number.**
- The Parish Meeting must publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide\** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Chairman, on behalf of the Parish Meeting, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period is set **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The Parish Meeting **must** publish 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 2020.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
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', is an explanation available for publication?	✓	
Section 2	Has the Parish Meeting's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations from last year to this year been published or displayed?	✓	
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?	✓	

**\*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk)