

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

BIDDEN HAM PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including 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 2017, that:

| | Agreed | | 'Yes' means that this smaller 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 smaller authority to conduct its business or on 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 smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | | | considered the financial and other risks it faces and has 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 smaller 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 | NA |
| | | | has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts. |

This annual governance statement is approved by this smaller authority on:

DDMMYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair at meeting where approval is given:

SIGNATURE

Clerk:

SIGNATURE

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Section 2 – Accounting statements 2016/17 for

Enter name of
smaller authority here:

BIDDENHAM PARISH COUNCIL

| | Year ending | | Notes and guidance |
|---|-----------------------|-----------------------|---|
| | 31 March 2016 £ | 31 March 2017 £ | |
| 1. Balances brought forward | 52,841 | 52,570 | 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 | 39,752 | 40,000 | Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 42,023 | 39,992 | 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 | 19,613 | 21,175 | Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses. |
| 5. (-) Loan interest/capital repayments | 0 | 0 | Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any). |
| 6. (-) All other payments | 62,433 | 47,785 | 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 | 52,570 | 63,602 | 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 | 52,570 | 63,602 | 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 | 712,366 | 712,722 | This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments. |
| 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 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 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

SIGNATURE

Date

DDMMYYYY

I confirm that these accounting statements were approved by this smaller authority on:

DDMMYYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair at meeting where approval is given:

SIGNATURE

Annual internal audit report 2016/17 to

Enter name of
smaller authority here:

BIDDENHAM PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

| Internal control objective | Agreed? Please choose only one of the following | | |
|--|---|-----|---------------|
| | Yes | No* | Not covered** |
| A. Appropriate accounting records have been kept properly throughout the year. | ✓ | | |
| B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | ✓ | | |
| C. This smaller 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. | | | N/A |
| G. Salaries to employees and allowances to members were paid in accordance with this smaller 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 and year-end bank account reconciliations were properly carried out. | ✓ | | |
| 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. (For local councils only) | Yes | No | Not applicable |
| Trust funds (including charitable) – The council met its responsibilities as a trustee. | | | N/A |

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit

GILL WIGGS

Signature of person who carried out the internal audit

S Swager

Date

12/5/17

*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, internal audit must explain why not (add separate sheets if needed).

Biddenham Parish Council Internal Audit 2016/17

I have carried out an Internal Audit of the Accounts of the Parish Council in line with the attached schedule, and the requirements of the Audit Commission External Auditors. I have acted independently & on the basis of an assessment of risk, I have carried out a selective assessment of compliance with relevant procedures & controls. I have completed & signed section 4 of your Annual Return to the External Auditors, which details the audit I have completed as follows:

| | |
|---|-----|
| A – Appropriate books of account have been kept properly throughout the year. | Yes |
| B – The Councils financial regulations have been met, payments were supported by invoices, all expenditure was approved & VAT was appropriately accounted for. | Yes |
| C – The Council assessed the significant risks to achieving its objectives & reviewed the adequacy of arrangements to manage these. | Yes |
| D – The Annual precept requirement resulted from an adequate budgetary process; progress against budget was regularly monitored; and reserves were appropriate. | Yes |
| E – Expected income was fully received, based on correct prices, properly recorded & promptly banked; & VAT was appropriately accounted for. | Yes |
| F – Petty cash payments were properly supported by receipts; all petty cash expenditure was approved & VAT accounted for. | N/A |
| G – Salaries to employees & allowances to members were paid in accordance with council approvals; and PAYE & NI requirements were properly applied. | Yes |
| H – Asset & Investment registers were complete & accurate & properly maintained. | Yes |
| I – Periodic & year end bank account reconciliations were properly carried out. | Yes |
| J – Accounting statements prepared during the year were prepared on the correct accounting basis (receipts & payments or income & expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, & where appropriate debtors & creditors were properly recorded. | Yes |
| K – Trust funds (including charitable). The council met its responsibilities as a trustee. | N/A |

Accounts & Audit Regulations 2015

These came into effect on 1/4/15 as follows:

- The Parish Council must have a sound system of internal control
- The Parish Council must conduct an annual review of the effectiveness of its internal control system. The findings of this review must be considered by the full Parish Council (not a committee).
- The Annual Governance Statement must be approved before the Annual Statement of Accounts
- The Statement of Accounts must be approved by the full Parish Council (not a committee).

I can confirm that I am satisfied the Parish Council complies with this new legislation.

Governance & Accountability for Smaller Authorities in England

This guide has recently been published, & is a useful guide to proper practices for Parish Councils. I can provide the Parish Council with an on-line copy for reference on request.

~~External Audit from 2017/18~~

If your turnover is greater than £25k there is no change to current procedures.

If your turnover is below £25k an Annual Return to the External Auditors will not be required.

Gill Wiggs

Gill Wiggs, May 2017

Internal Audit will be carried out in line with The Audit Commissions requirements, as follows:

1. Year end summary of accounts to be checked to ensure accounts are appropriately prepared and presented, and that Section 2 of the External Audit Return is completed in line with the Auditors requirements.
2. Cashbook will be checked to ensure appropriate records have been kept.
3. Year End bank reconciliation will be checked to ensure final cashbook balance reconciles with year end bank statement balance, and any difference is accounted for.
4. A selective audit trail will be carried out on payments to ensure they are supported by invoices, expenditure is approved, and VAT is accounted for.
5. The level of risk management & internal controls will be assessed.
6. The budget process for setting the Precept will be assessed.
7. Reserve levels will be assessed in line with the External Auditors recommendations.
8. A selective audit trail will be carried out on income received to ensure it is properly recorded, priced and banked.
9. A selective audit trail of petty cash will be carried out to ensure it is supported by receipts, and that expenditure was approved and VAT accounted for.
10. A selective audit trail will be carried out on salaries to employees to ensure they are approved, and PAYE is in operation.
11. The Asset register will be checked to ensure it is up to date and regularly maintained.
12. When turnover is less than £25k, in accordance with Smaller Authorities (Transparency Requirements) (England) Regulations 2015/494, the audit will include a check on the authority's website to ensure the following information is published:

The following must be published annually, by no later than 1 July each year:

- a) all items of expenditure above £100;
- b) end of year accounts, annual governance statement, and internal audit report (as contained in the annual return), with the statement of accounts, accompanied by: a copy of the bank reconciliation for the relevant financial year; an explanation of any significant variances (e.g. more than 10%/£100) in the statement of accounts for the relevant year and previous year; and an explanation of any differences between 'balances carried forward' and 'total cash and short term investments', if applicable.
- c) a list of councillor or member responsibilities; and
- d) details of public land and building assets owned by the smaller authority (except internal drainage boards and charter trustees).

The following should be published more frequently than once annually, on the specified occasions:

- a) draft minutes from all formal meetings (i.e. full council or board, committee and subcommittee meetings) not later than one month after the meeting has taken place, and;
- b) meeting agendas and background papers, no later than three clear days before the meeting is taking place.

Documents required from Parish Council to carry out Internal Audit

1. Annual Audit Return with sections 1 & 2 accurately completed in line with instructions provided, including:
 - an explanation of any difference between line 7 & line 8
 - Bank reconciliation that reconciles any difference between line 8 and year end bank balances (example can be obtained from <http://www.bdo.co.uk/BDOSH/councils>) user name – councils, password - extranet
2. Cashbook/Record of transactions (i.e. spreadsheet or similar)
3. Year end summary of accounts
4. Invoices paid throughout year

5. Bank statements from 1st April – 31st March, showing year end balances as at 31st March.
6. Cheque books/paying in books
7. If you use any other payment methods such as debit cards or on line banking, appropriate records should be provided.
8. VAT records
9. Budget for the financial year being audited
10. Insurance Policy & other risk management documents.
11. Evidence that the Parish Council has a whole has annually reviewed the effectiveness of internal controls.
12. Minutes (or details of website where minutes can be viewed)
13. Details of Reserves held (i.e. summary showing where money left at year end is allocated or earmarked)
14. Petty Cash records if appropriate
15. Employee salary records including PAYE records. Ideally this should include P60 for the year in question if it has been produced at the time of audit.
16. Asset register
17. Financial Regulations
18. Details of website where requirements of Transparency Act can be found (if turnover less than £25k)