

# BRAUNSTONE TOWN COUNCIL

29th JUNE 2017

## Item 4 – Annual Governance Statement 2016/2017

### Purpose

To ensure sound systems of internal control, including the management of risk and the preparation of accounting statements during the financial year ended 31st March 2017 and to authorise the completion and submission of the Annual Governance Statement 2016/2017 accordingly.

### Background

Under the Regulations it is the Council as a whole that is responsible in law for ensuring that financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of functions and which includes arrangements for the management of risk. Under the regulations, all local councils are required to conduct a review at least once a year of the effectiveness of their system of internal control, in accordance with proper practices.

### Annual Governance Statement

As part of the Annual Return, the Council has to demonstrate that it is compliant with the statements set out in Section 1, Annual Governance Statement:

**1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.**

*Prepared accounting statements in accordance with the Accounts and Audit Regulations.*

The accounting statements have been produced and have formed part of the Internal Audit, which reported: “A review of the annual accounts for the year ending 31<sup>st</sup> March 2017 found that they have been prepared on the correct basis and were supported by adequate audit trails to underlying records except for the following points:

- *The Town Mayor’s programme of events raises funds during the year for local groups; for 2016/17 this totalled £4061.42 (net). The amounts are not paid over to the groups until the start of the following financial year. Currently a creditor is not raised to reflect this. Whilst this treatment would not significantly distort a readers understanding of the accounts, the correct accounting treatment would be to raise a creditor at year end. In addition in order to reflect the fact that the funds raised through this programme are not available to be used on any other services a reserve should be created.*
- *It was noted that £317.42 (net) has been received in 2016/17 for the 2017 summer fete. This is a receipt in advance however has not been treated as such. Again, this treatment would not significantly distort a readers understanding of the accounts however the correct accounting treatment should be applied” (section 2.6 of the Internal Audit Report).*

Arrangements will be made to Journal Town Mayor's Charity income from each of the Programme of Events at the time in order to keep the budget up-to-date so that a reserve and creditor can be created at year-end.

All of the payments identified for the Summer Fete 2017 were received as part payments of a single transaction – staff will be advised to enter transactions separately where these are advance receipts/payments.

The accounting statements have been submitted:

- Corporate Governance Sub-Committee, 15th June 2017 (item 8);
- Policy & Resources Committee, 15th June 2017 (item 8); and
- will be submitted to Full Council on 29th June 2017 (the deadline date for determining the Accounting Statements is 30th June).

For the purpose of the Regulations, Braunstone Town Council is currently classed as a smaller relevant body (as defined by the Accounts and Audit Regulations 2011) whose gross annual income or expenditure is less than £6.5 million. Accordingly it is audited under the limited assurance approach.

**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 public money and resources.*

The Council's systems of internal control are set out in the Financial Regulations, which were thoroughly reviewed by Corporate Governance Sub-Committee and Policy & Resources Committee on 9th June 2016, which took into account the Public Contracts Regulations 2015 and other legislative changes and guidance and advice on good practice. In addition, in light of some of the difficulties faced during the 2015/2016 financial year with the Council's financial management systems, some procedures were clarified/codified. The revised regulations were adopted by Council on 30th June 2016. Prior to this date, the Financial Regulations had been adopted on 14th May 2015, following publication of NALC's Model Financial Regulations. In addition we have adopted the 'Braunstone Area Office – Operational Instructions and Procedures' for Customer Service Shop transactions.

Operational expenditure transactions are authorised by two account signatories and each Standing Committee receives a list of all expenditure transactions since the previous report.

To enable a more efficient and effective payment of staff expenses, Councillor allowances and expenses, given the administrative process was undertaken via the Council's payroll; minor alterations were approved at Annual Council on 11th May 2017 to paragraph 7.1 of the Financial Regulations, payment of salaries, to allow the payment of Councillor allowances and Councillor and staff expenses from the payroll account rather than the general operating account.

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 the Council to conduct its business or on its finances.**

*Only done what we have the legal power to do and have complied with proper practices in doing so.*

The relevant legal powers for all the Council's activities are listed in the Budget and Precept for 2017/2018 and future estimates report and appendices considered by Policy & Resources Committee on 12th January 2017 and approved by Full Council on 26th January 2017.

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.*

For the Year Ending 31<sup>st</sup> March 2016, in accordance with the Accounts & Audit Regulations 2015, the Council published and made available the unaudited accounting records from 1st July until 11th August 2016, for electors to inspect. The External Audit was completed on 29th September 2016 and a notice to that effect was published to electors on 4th October.

#### DEADLINE FOR ACCOUNTS TO BE APPROVED BY THE COUNCIL

30<sup>th</sup> June 2017.

#### NOTICE OF AUDIT & PUBLIC INSPECTION OF ACCOUNTS

The Accounts & Audit Regulations 2015 requires the Responsible Financial Officer (instead of the External Auditor) to set the period during which electors may inspect the accounting records. It must be a period of 30 consecutive working days (i.e. excluding weekends and public holidays) and must include the first ten working days in July. Since the Council is not considering the Annual Governance Statement and Accounting Statements until 29th June, and the inspection period must start the day after an announcement is made, the inspection period will therefore be Monday 3rd July until Friday 11th August 2017. The unaudited Annual Return must be published on the website before the start of the inspection period, and it will be published initially as part of the meeting agenda, which for Corporate Governance Sub-Committee and Policy & Resources Committee was on Wednesday 7th June 2017.

#### PUBLICATION OF CONCLUSION OF AUDIT - AUDITOR'S REPORT & ACCOUNTS

Before 30<sup>th</sup> September

Sections 1 – 3 of Annual Return to be published on the Town Council notice Board at both Community Centres and on the Website.

5. **We carried out an assessment of the risks facing the Council and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.**

*Considered financial and other risks and have dealt with them properly.*

**(REFER TO APPENDIX 'A').**

#### PUBLIC LIABILITY CLAIMS

Insurance Claim No. 8715746 dated 22<sup>nd</sup> October 2013 – incident on Shakespeare Park tennis courts causing alleged injury (ONGOING). The Insurers closed this claim in September 2015 since no response had been received from the claimant's solicitors for two years. However, in December 2015, further correspondence was received from the claimants solicitors asking for safety check records and these were provided in February 2016. Again no further correspondence has been received and if this continues to be the case it is likely the Council's Insurers will again close this case in February 2018.

Insurance Claim No. 4487208 dated 13th January 2017 – where a Town Council operative while cutting brambles with the hedge cutting flail caught the metal protector on the side of a telegraph pole causing damage to the pole, metal protector and telephone cables. BT Openreach's repair costs are £997.30 and their legal costs are £70, resulting in a claim of £1,067.30, which is being handled by the Council's insurers.

#### INTERNAL CONTROLS

A review will be undertaken of the Council's Insurance Policy and Assets Register in October when the Policy is due for renewal. As part of the renewal of insurance in 2016, the Council's buildings (Braunstone Civic Centre, Thorpe Astley Community Centre and Mossdale Pavilion and workshop) were revalued to ensure that the insurance value was sufficient for rebuild. The new Shakespeare Park Pavilion will be valued once building work has completed. The revised valuations have been included in the insurance policy and have been included under the "Insurance Value" column of the Fixed Assets List, which forms part of the Accounting Statements.

#### RISK ASSESSMENTS

An updated Business Continuity Plan was adopted on 12<sup>th</sup> June 2014 and will be due for revision this coming year. Fire Risk Assessments as required by Regulatory Reform (Fire Safety) Order 2005 were completed on 25th April 2016 by Vital, which also included a General Risk Assessment. As a result of these, a Fire Risk Assessment checklist is completed every three months and the daily checklists were updated.

Following an assessment of the following:

- Safety check of Fire Doors
- Water testing for Legionnaires disease
- Asbestos survey

- Safety checks and locations of smoke detectors procedures and safety check processes were updated.

During the year staff who needed their Emergency First Aid at Work certificate renewing and new employees received first aid training. Also during the year staff received the annual training in fire safety, manual handling and the groundstaff the Tractor Action training in accordance with the Council's Health & Safety Statement.

The Health & Safety Consultative Group carried out a review and updated the following Corporate Risk Assessments:

- Building Condition – General
- Car Parks – General
- Cleaning Duties – General
- Community Centres / Village Halls
- Contractors – Use of
- Display Screen Equipment / Computer Screens
- Erecting Fencing
- Family Fun Day/Community Event
- Fire
- Firework Displays and Bonfires
- Football Posts and Installation
- Halls – Use and Hire of
- Handling Sharps (Hypodermic needles)
- Hedge Cutting –use of Tractor Mounted Rotary Flail
- Ladders / Stepladders – Use of
- Lone Working / Violence at Work
- Manual Handling General
- Mowing / Strimming

The risk assessment review programme ensures that all risk assessments are reviewed at least every 3 years and following an incident or the issuing of new guidance are revisited.

RoSPA Play Area Safety Inspection Reports were received in May 2016 for Mossdale Meadows, Franklin Park, Holmfield Park, Shakespeare Park, Isobel Close, Priestman Road, Hilcott Green, Marshall Close and Impey Close. There were no High Risk items highlighted and medium risk items with a risk factor of 9 and above were reported to Policy & Resources Committee on 9th June and repairs completed over the summer. Medium priority items with a risk factor 8 and below were included in the Winter Works Programme 2016/2017.

Banking – Compensation Scheme – with effect from 31<sup>st</sup> December 2010 the Government Scheme offers full compensation up to £85,000 per saver or authorised institution.

## PROPERTY DAMAGE

A list of the Town Council's fixed assets was revised and updated during 2016/2017 following the replacement of playground equipment at Franklin Park and purchase of new computer equipment.

The Insurance Policy was updated to include new items purchased and remove those disposed of and included the new insurance values for complete rebuild of Braunstone Civic Centre, Thorpe Astley Community Centre and the Mossdale Pavilion & parks workshop.

In addition street furniture, play equipment and Shakespeare Park Pavilion are insured for damage.

## INSURANCE

The Town Council's insurance policy covers the following risks:-

Public Liability	up to £5m any one claim
Employers Liability	up to £10m any one claim
Money	£10,000 cash in transit, £10,000 in safe
Fidelity Guarantee	£275,000.00
Wage roll	£387,000.00

Business Interruption Gross Rentals (Including Thorpe Astley Community Centre)	£153,559.00
Braunstone Civic Centre (Maximum Indemnity Period:- 12 months)	£51,000.00

Official Indemnity, Libel and Slander	£374,000.00
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**6. We have 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 the Council.*

An Internal Audit undertaken by North West Leicestershire District Council' Internal Audit Services and was completed on 30th May 2016. The Internal Audit report and recommendations for improvement is considered by the Council's Management Team, Corporate Governance Sub-Committee and Policy & Resources Committee.

**7. We took appropriate action on all matters raised in reports from internal and external audit.**

*Responded to matters brought to our attention by internal and external audit.*

## INTERNAL AUDITOR'S REPORT 2015/2016

The Internal Auditor was asked to have full regard to the guidance on Internal Audit set out in "Governance and Accountability for Local Councils – A Practitioners' Guide 2008 (England)" published by NALC and the SLCC. In particular, to have due regard to Section 4 of the Annual Return. The Internal Auditor confirmed that the programme of work undertaken was based on 'Governance and Accountability for Local Councils – A Practitioners' Guide 2014 (England)' published by NALC and the SLCC; Appendix 9 – An approach to Internal Audit Testing.

The overall opinion was that systems are operating efficiently and effectively. A copy of the action plan is attached (**Appendix 'B'**)

## EXTERNAL AUDITOR'S REPORT

The external audit was concluded on 29th September 2016 and an unqualified audit opinion given.

## MATTERS ARISING FROM CORPORATE GOVERNANCE SUB-COMMITTEE MEETING HELD 9<sup>TH</sup> JUNE 2016

*None*

- 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 the Council and, where appropriate have included them in the accounting statements.**

*Disclosed everything the Council should have about its business activity during the year including events taking place after the year-end if relevant.*

Council considered medium to long term priorities and financial planning on 24th November 2016. This document forms the framework for assessing the Council's priorities and future financial risks when developing its budget estimates for 2017/2018.

The Council's Medium to Long Term Priorities and Financial Planning strategy assessed the impact of the following Financial Pressures:

- Parish Precept – the impact upon the Council's finances of an extension of the referendum principles applied to District Councils on Council Tax increases to town and parish Councils; while not applied by Government for 2017/2018; it could be applied in future financial years.
- Council Tax Support Grant – Government advises that billing authorities pass on a share of Council Tax Support Grant to parish and town councils. Blaby District Council have continually indicated that they will pass on this amount according to the same formula (although the total amount available decreases). However, in February 2017, the District Council decided to end the passporting of Council Tax Support Grant and New Homes Bonus to parishes from April 2018, which presents a significant financial risk to the Town Council. Therefore, Policy & Resources Committee received revised medium

term financial projections at its meeting on 27th April 2017 and established a Member Working Group to enable detailed work to be undertaken on the options available to the Council in terms of service provision, savings, precept increases and use of reserves, along with an assessment of any associated risks.

- Pension Scheme Auto Enrolment and Actuarial Valuation – following auto-enrolment, all eligible employees remained in the pension scheme, this was more than projected (given the Town Council always offered a pension scheme and not all employees had decided to join) and resulted in an overspend on pensions at 31st March 2017 of £33,468. The overspend had been identified during the year through the regular financial monitoring against budgets undertaken by the Council's Management Team and Policy & Resources Committee and action was taken to address the funding shortfall in the budget for 2017/2018 and beyond.
- Review of National Joint Council Salary Scales and Scale Points – as part of the 2016-18 pay deal, the National Joint Council (NJC) agreed to conduct a review of the NJC pay spine; the primary reason for this review is the introduction of the Government's National Living Wage. Therefore, action was taken to increase the budget available for staffing in excess of the 1% pay cap in anticipation of increases in staffing costs in future years.

The strategy sets these within the political and economic context and expected changes to the provision of services.

**9. Trust funds including charitable – in our capacity as the sole managing trustee we have discharged our accountability responsibilities for the funds(s)/assets, including financial reporting and, if required, independent examination or audit.**

*Met all of our responsibilities where the Council is a sole managing trustee of a local trust or trusts.*

Not Applicable. The Council is not a sole managing trustee of trust/charitable funds.

**Review of Systems of Internal Control**

The Corporate Governance Sub-Committee on 15th June 2017, undertook a review of the systems of internal control, including the management of risk and the preparation of accounting statements during the financial year ended 31<sup>st</sup> March 2017 to ensure that sound systems of internal control were in operation.

The Sub-Committee have asked the Health & Safety Consultative Group to review fire safety and evacuation procedures for Mossdale Pavilion and Workshop and Shakespeare Pavilion; and in addition when reviewing the Business Continuity Plan to consider a mechanism for testing its application.

Having reviewed the control measures for each of the areas listed on the Annual Governance Statement and the assessment of risks facing the Council and associated mitigating measures, the Corporate Governance Sub-Committee were confident that to the best of their knowledge and belief, with respect of the



accounting statements for the year ended 31st March 2017, there were sound systems of internal control and management of risk.

Therefore, the Committee recommended to Policy & Resources Committee that they recommend to Council that the systems of internal control and management of risk be confirmed as sound and that Section 1, Annual governance statement 2016/17, of the Annual Return for the year ended 31st March 2017 be completed and submitted accordingly.

Having reviewed the report and received the conclusions of the Corporate Governance Sub-Committee on 15th June 2017, Policy & Resources Committee endorsed the conclusion and submitted the recommendation for consideration by Council.

### Recommendation

That the systems of internal control and management of risk be confirmed as sound and that Section 1, Annual governance statement 2016/17, of the Annual Return for the year ended 31st March 2017 (attached as Appendix C) be completed, signed and submitted accordingly.

### Reason

Having reviewed the control measures for each of the areas listed on the Annual Governance Statement and the assessment of risks facing the Council and associated mitigating measures, Council were confident that to the best of their knowledge and belief, with respect of the accounting statements for the year ended 31st March 2017, there were sound systems of internal control and management of risk.

BRAUNSTONE TOWN COUNCIL: RISK MANAGEMENT – 1st JUNE 2017

Area	Risk	Level	Controls <i>(bold indicates areas where work is needed)</i>
Assets	Protection of physical assets	L	Buildings ‘All Risks’ insurance. Value increased annually by RPI. Fixed Assets list, which is published as part of the Accounting Statements, details Insurance Values for Buildings, Civic Regalia, Infrastructure (including CCTV, fences, sculptures and street furniture) and Recreation, Sports & Play Equipment.
	Security of buildings, equipment etc	L	Civic Centre and Thorpe Astley Community Centre protected by CCTV and ‘Redcare’ call-out alarm system. Shakespeare Park Store and Mosssdale Meadows Garage have stand alone alarm systems.
	Maintenance of buildings & Equipment etc	L-M	Buildings currently maintained on an ad hoc basis. Annual ROSPA Report on Play Equipment – any remedial work undertaken on Winter Works Programme. Planned programme of electrical and safety equipment in place – In accordance with the Council’s Safety Statement the Resources & Facilities Manager and the Senior Groundspersons are responsible for maintaining the Work Equipment Inventory, Legionella Inspection Regime and Equipment Maintenance Schedules (Form BTC 60)

Area	Risk	Level	Controls <b>(bold indicates areas where work is needed)</b>
Finance	Banking	M	<p>A minimum of two Current Accounts with the Co-operative Bank are maintained, a general account and a payroll account. Banking Arrangements are governed by Section 5 of the Council's Financial Regulations adopted on 30th June 2016.</p> <p>Out of £308,829.22 total cash and investments on 31<sup>st</sup> March 2017, £157,143.29 is invested with a Cambridge Building Society 90 Day Notice Account.</p> <p>The government Compensation Scheme offers full compensation up to £85,000 per saver or institution. The Council currently has its financial resources with two banking institutions.</p>
	Risk of consequential loss of income	L	<p>Insurance cover. This will be reviewed at the next renewal date to take account of the additional revenue from the Council's Community Centres. Important documents stored in fire proof safe and scanned onto the computer network, which is backed-up at Thorpe Astley Community Centre.</p> <p>The Council's Computer Booking System and Accounts Package are backed up daily on-line off the premises by the Package provider.</p>
	Loss of cash through theft or dishonesty	L	<p>The Council's systems of internal control are set out in the Financial Regulations adopted on 30th June 2016. In addition we have adopted the 'Braunstone Area Office – Operational Instructions and Procedures' for Connect Service Shop transactions.</p>

Area	Risk	Level	Controls <b>(bold indicates areas where work is needed)</b>
Finance (cont.)	Loss of cash through theft or dishonesty (cont.)		The Council's Insurance Policy Limit to Employee Dishonesty has been raised to £275,000 (half the precepts and support grants income, which is received in two instalments).
	Financial controls and records	L	Monthly bank reconciliations are prepared by the officer administering day to day finances and checked by the Executive Officer & Town Clerk. Two signatories on cheques and internet banking payments. Internal and external audit.
	Comply with Customs and Excise Regulations	L	Use help line when necessary. VAT payments and claims calculated by Executive Officer & Town Clerk. Internal and external auditor provides a double check.
	Sound budgeting to underlie annual precept	L	Policy & Resources Committee and Council receive detailed budgets in the late autumn. Precept derived directly from this. Expenditure against budget reported to Committees once each cycle.
	Complying with borrowing restrictions	L	No new borrowing. Potential future borrowing has been identified in relation to large projects on the Council's Capital Plan (approved by Council on 26th January 2017. These include renovation/rebuild of Shakespeare Park Pavilion.

Area	Risk	Level	Controls (bold indicates areas where work is needed)
Liability	Risk to third party, property or individuals	M	Insurance in place. Open spaces checked weekly. Trees investigated annually and when damage reported. Risk assessments of individual events carried out as necessary.
	Legal liability as consequence of asset ownership (especially playgrounds)	M	Insurance in place. Weekly checks of playgrounds and written records kept. Annual checks by ROSPA of playgrounds.
Employer Liability	Comply with Employment Law	L	Membership of various national and regional bodies including Local Government Association, Society of Local Council Clerks, National Association of Local Councils. DIS checked weekly for updates. As reported earlier, the Council has insurance for Employer's Liability. In March 2015, the Council commissioned a professional Human Resource advisor to assist with an Organisation Review and the implementation of the Living Wage, following the review the Human Resource advisor was appointed in October 2015 to advise and support the Council on all employment matters.
	Comply with Inland Revenue requirements	L	Regular advice from IR and Sage. Internal and external auditor carries out annual checks.
	Safety of Staff and visitors	L-M	Panic alarms (Redcare system) and CCTV fitted at Civic Centre and Thorpe Astley Community Centre. Regular risk assessment checks and reviews undertaken by the Health & Safety Consultative Group. Health & Safety Policy Statement in place.

Area	Risk	Level	Controls <b>(bold indicates areas where work is needed)</b>
Legal Liability	Ensuring activities are within legal powers	L	Executive Officer & Town Clerk to clarify legal position on any new proposal. Legal advice to be sought where necessary.
	Proper and timely reporting via the Minutes	L	Council meets six times per annum and always receives Minutes of Standing Committees held in interim. Minutes made available to press and public at the Civic Centre and via the web site.
	Proper document control	L	Original leases deeds etc stored at in fire proof safe and at the Council's Solicitors office. Agreements and documentation made since 2015 have been scanned onto the computer network, which is backed-up at Thorpe Astley Community Centre.
Councillor propriety	Registers of Interests and gifts and hospitality in place	L	Register of interest completed. Gifts and hospitality register is available for public inspection during normal office hours

3. Improvement Action Plan 2015/2016 Internal Auditor’s Report

Detailed Finding Reference	Observation	Risk	Recommendations	Priority High/Medium/Low	Officer Responsible	Action Taken and Date
2.1 & 2.2 Bookings Diary and Income and Analysis Sheets	Cash summary forms are not always completed correctly which can lead to incorrect VAT treatment for sales items.	Should a VAT inspection be carried out by HMRC it could result in fines being imposed.	Manual processes for cashing up and reconciling income to bookings should be reviewed as the recently integrated booking and finance systems may have created opportunities for automating more processes.	High	Darren Tilley	Cash Summary forms have been simplified, categorising room hires by type of hirer has been removed to enable automatic transfer to <i>finance system</i> . <i>Facilities system</i> reports category of room hirer. Software provider has been contacted to provide a sundry receipting system on <i>facilities</i> and to fully automate income receipting between <i>facilities</i> and <i>finance</i> . <i>April 2017</i> .
2.4 Petty Cash	The VAT element of petty cash purchases is not always entered onto the system.	Should a VAT inspection be carried out by HMRC it could result in fines being imposed.	Staff should take care when entering petty cash records onto the system ensuring that VAT rates and amounts agree to receipts.	High	Lydia Assi	System settings revised so that the default category for VAT is “VAT Exempt”. Therefore, if VAT is included, the net amount would not balance and the officer concerned would need to change the VAT category to apply the correct VAT amount. <i>April 2017</i> .

Detailed Finding Reference	Observation	Risk	Recommendations	Priority High/Medium/Low	Officer Responsible	Action Taken and Date
2.4 Petty Cash	Incorrect remedial action was taken to correct an error.	Transactions are reversed without fully understanding the consequences.	Before any transactions are reversed the cause should be properly investigated to ensure the correct remedial action is being taken. The action taken and associated transaction references should be recorded to provide a satisfactory audit trail.	High	Darren Tilley	When a contradiction is entered on the system, the reason is recorded along with the transaction to which it relates. The Accounts now include a set of audit reports by transaction number, supplier/customer, budget heading and income & expenditure heading. <i>June 2016.</i>



## Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of  
smaller authority here:

**BRAUNSTONE TOWN 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	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
		NA	

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

DD/MM/YYYY

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.