

Milton Abbot Grouped Parish Council

V.05/1

AGM Agenda 14th May 2015

Appendix A

Audit Commission Annual Return 2015 – Annual Governance Statement

The Parish Council has to complete an annual return to its external auditors, covering various aspects of its financial management. As well as reconciling its accounts and bank statements, the Parish Council has to demonstrate that it has sound systems of internal control.

This is done by completing an Annual Governance Statement, which is a form signed by the Chair and the Parish Clerk containing Yes/No answers to various questions. **The Parish Clerk recommends** that the Parish Council approves the completion of the statement with 100% positive answers to the questions set out below, for the reasons given:

Q.1 We have approved accounting statements prepared in accordance with the relevant Regulations and proper practices. The accounts are prepared by the Clerk in accordance with relevant regulations and good practice and are reconciled to the Council's bank statements in quarterly reports.

Q.2 We have maintained adequate internal control systems including measures to prevent fraud and corruption and have reviewed their effectiveness. We have approved new Financial Regulations that meet relevant standards and have maintained a clear separation of functions and the involvement of the Clerk and two Councillors in the payments process.

Q.3 We have taken reasonable steps to ensure that there are no matters of actual or potential non-compliance with relevant laws and regulations that could have an adverse effect on the operation of the Council or on its finances. We now subscribe to the Devon Association of Local Councils, which is affiliated to the National Association and receive regular guidance on changes in statutes, good practice, etc. We have reviewed our Standing Orders as well as our Financial Regulations to ensure that they accord with current legislation and good practice.

Q.4 We have provided a proper opportunity for the exercise of electors' rights in accordance with the requirements of the regulations. Public notice has been given, within the correct timescale, of the entitlement of electors to inspect the Council's accounts.

Q.5 We have carried out an assessment of the risks facing the Council and taken appropriate steps to manage them. We have introduced an annual risk assessment process and improved our internal controls during 2014/15. Further reviews and monitoring of associated action plans will be carried out on a regular basis.

Q.6 We have mainlined an adequate and effective system of internal audits and reviewed its effectiveness. The internal audit review introduced in 2014 has been continued in 2015. The effectiveness of this process will be considered in the annual review of the Council financial systems.

Q.7 We have taken appropriate action on all matters raised in reports from internal and external audit. We failed to approve the annual return within the prescribed timeframe last year and did not

carry out a risk assessment. The annual return will be completed on time this year and a risk assessment has been carried out as part of the overhaul of the Council's management processes, following last year's external audit report.

Q.8 We have considered whether any litigation, liabilities or commitments, events or transactions occurring during or after the year end, would have a financial impact on the Council and where appropriate have included them in the statement of accounts. The Council has not been involved in any litigation, nor is there any pending. Future liabilities have been reported to the Council as appropriate and, where necessary included in the statement of accounts.

Q.9 Trust fund management. The Council has no trust funds.