

MILTON ABBOT GROUPED PARISH COUNCIL

(Parishes of Milton Abbot, Chillaton, Dunterton and Bradstone)

Audit Commission Annual Return 2017 – Annual Governance Statement

The 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 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 Clerk containing Yes/No answers to questions.

A breach of compliance with proper practice was identified during the year (see Q.3). However, as action was promptly taken to correct the misunderstanding, the Clerk **recommends that the 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 put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. The accounts are prepared by the Clerk in accordance with relevant regulations and good practice and are reconciled to the bank statements on monthly basis and presented to the Council at each of its ordinary meetings.

Q.2 We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. Financial Regulations, that meet relevant standards, have been adopted by the Council and are reviewed annually.

Q.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 practice that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances. We subscribe to Devon Association of Local Councils, which is affiliated to the National Association and receive regular guidance on changes in statutes, good practice, etc.

Following a misunderstanding by a Cllr of a decision taken by the Council to seek quotations for the refurbishment of a public noticeboard, that Cllr instead authorised the letting of a contract for the works concerned. Corrective action was taken at the next meeting of the Council to authorise payment of the sum involved [£110], as this was considerably cheaper than any other quotation received, and to remind all Cllrs of the provisions of Standing Orders and of the Local Government Act 1972, prohibiting such action by individual members of the Council.

Q.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. Bank reconciliations and budget monitor reports are discussed at Council meetings which are open to the public and details of which are published on the website, along with agendas and minutes. Public notice has been given, within the correct timescale, of the entitlement of electors to inspect the Council's accounts.

Q.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. An annual risk assessment process and

improvement of our internal controls was implemented during 2014/15. This has continued since that time.

Q.6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. The internal audit review will be considered in the annual review of the Council financial systems.

Q.7 We took appropriate action on all matters raised in reports from internal and external audit. There were no matters raised on last year's internal audit, and none from this year's. An observation on last year's external audit, that the figure in Box 8 of the Accounting Statement did not include an unpresented cheque and should have read £8,790, has been rectified by restating this figure on this year's annual return as advised.

Q.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. 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.