

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

LITTLE BARDFIELD PARISH

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 2016, 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.	YES		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.	YES		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.	YES		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.		NO	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.	YES		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.	YES		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.	YES		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.	YES		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 and recorded as minute reference:

12TH JULY 16 MINUTES SECTION 5

dated

12/07/16

Signed by:

Chair

A. Little V. Garden
12/07/16

dated

Signed by:

Clerk

dated

Amhillee
12/07/16

*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 2015/16 for

Enter name of
smaller authority here:

LITTLE BARDFIELD PARISH

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	4970	5509	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	2648	2660	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1458	1443	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	1198	1001	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	2369	2954	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	5509	5657	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	5509	5657	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	9276	9276	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority as at 31 March
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 2016 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

Amelia Harris

Date

12/7/16

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

12/7/16

and recorded as minute reference:

SECTION 6

Signed by Chair of the meeting approving these accounting statements.

A. Little Bardfield

Date

12/7/16

Section 3 – External auditor certificate and report

2015/16 Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2016 in respect of:

Enter name of
smaller authority here:

LITTLE BALDFIELD PARISH

Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2016; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

External auditor report EX0148

Except for the matters reported below, on the basis of our review of the Annual Return, in our opinion the information in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The Councillors have again failed to approve the Annual Return by 30th June 2016 as required by the Accounts and Audit Regulations 2015, and did not disclose this by answering "No" to Section 1, Box We reported the same failure last year.

The Council also failed to publish the final signed Annual Return by 30 September 2016, the date required by the Accounts and Audit Regulations 2015. The return and supporting information were not submitted for review until well after the date requested and not received until 22nd September.

The internal auditor in her detailed report has drawn attention to significant weaknesses in the Council's system of internal and financial control, comments that were also made last year. In particular this year, the internal auditor has reported:

- The Council does not maintain an asset register and is unaware of the assets it owns
- The unavailability of documents relating to the bank deposit account
- A lack of review of standing orders and financial regulations since 2007
- No evidence of a completed formal risk assessment since 2007
- No record of Council discussions or agreement on the level of precept.

We reported last year that the internal auditor had identified significant weaknesses and it is clear that the Council has taken little or no action to remedy these. In our opinion it was incorrect for Councillors to assert that they took appropriate action on all matters raised in reports from internal and external audit (Box 7, Section 1).

We have no confidence that the Council has put in place arrangements for effective financial management, or that it has maintained an adequate system of internal control or reviewed its effectiveness. As such we do not think it was appropriate to tick "Yes" in Boxes 1 and 2 in Section 1).

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

We appreciate the Council is small with limited funds and transactions. Nonetheless, Councillors are responsible for public money and should take early steps to remedy the problems highlighted above, including seeking support from NALC for the Clerk who we understand is new in post. The present state of affairs is not acceptable.

When submitted, Box 9 on page 2 was left blank. If the Council does not act as sole trustee the answer should be "No".

We note that the current level of reserves (£5,657) is just over twice the annual precept. The Council should have regard to the level of reserves when setting future precepts.

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2016/17 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2016/17 and ensure that it makes proper provision for the exercise of public rights during 2017/18.

External auditor signature

PKF Littlejohn LLP

External auditor name

PKF Littlejohn LLP

Date

5th October 2016

Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)