

## **Audit Commission Annual Return 2015**

### **Report on the requirements of Section 2 - Annual Governance Statement**

Section 2 of the Annual Audit return requires members to acknowledge their responsibility for ensuring there is a sound system of internal control, including the preparation of the statement of accounts. The return has to be signed by the Chairman and Clerk to this effect having first agreed to nine specific statements:

**1. We have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.**

The accounts are prepared by the Clerk on a receipts and payments basis in accordance with the Accounts and Audit Regulations and guidance in *Governance and Accountability for Local Councils A Practitioner's Guide 2010 (England)* and scrutinised through the internal audit process.

**2. We have maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.**

A review of the adopted Risk Assessment of Financial and Non-Financial Internal Audit Controls 2014/15 and subsequent Action Plan has been carried out and revised documents adopted for 2015/16. These aim to review internal control systems including measures to prevent and detect fraud, the action plan ensures improvements are carried out and both documents have been adopted as part of the Statement of Accounts. These will be reviewed annually. The accounts and financial systems are scrutinised through the internal audit process.

**3. We have taken reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the council to conduct its business or on its finances.**

The Council operates within a robust set of governance arrangements, section 1 Governance of the Risk Assessment of Financial and Non-Financial Internal Audit Controls document outlines these controls and improvements required are highlighted on the 2015/16 action plan which will be reviewed annually.

**4. We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.**

The Council displays a Notice of Appointment of the date for the exercise of electors' rights which for 2015 will be made on 18<sup>th</sup> May. This entitles any person interested to inspect and make copies of the Annual Return, books, invoices, receipts etc during stated office hours Monday – Friday between 1<sup>st</sup> June and 26<sup>th</sup> June 2015.

In addition to the statutory requirements the Statement of Accounts and accompanying documentation will be made available on the Council website.

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

A Risk Assessment of Financial and Non-Financial Internal Audit Controls document has been adopted to monitor and manage risks and internal controls and a review of the document and an action plan included with the Statement of Accounts.

**6. We have maintained throughout the year an adequate and effective system of internal audit of the council's accounting records and carried out a review of its effectiveness.**

Internal Auditor Ken Abraham has been employed to carry out this function, in addition the Council makes spot checks on the accounts throughout the year which are minuted.

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

No issues were raised by the internal audit or the external audit for 2013/14

**8. We have 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 statement of accounts.**

A Risk Assessment of Financial and Non-Financial Internal Audit Controls document has been adopted to monitor liabilities, a review of the document and an action plan included with the Statement of Accounts.

**9. Trust Funds – in our capacity as the sole managing trustee we have discharged our responsibility in relation to the accountability for the funds / assets, including financial reporting and, if required, independent examination or audit.**

The Council is First Trustee for the Wickham Water Meadows Millennium Green Trust, separate accounts are prepared and approved by the Trust and scrutinised through the internal audit process.