

# Section 2 - Annual governance statement 2014/15

We acknowledge as the members of:

HATTON PARISH COUNCIL

Council/Meeting

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 2015, that:

Agreed - 'Yes'		Yes	No*	means that the council:	
1	We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		✓	prepared its accounting statements in the way prescribed by law.
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 the council 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 has given all persons interested the opportunity to inspect and ask questions about the council's accounts.
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 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 council 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.
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 the council 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	Trust funds (including charitable) - in our capacity as the sole managing trustee we discharged our responsibility in relation to the account(s)/assets, including financial reporting and, if required, independent examination or audit.	✓		✓	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 the council and recorded as minute reference

ANNUAL GOVERNANCE STATEMENT

dated 20.7.2015

\*Note: Please provide explanations to the external auditors. Describe how the council will address the weaknesses

# Section 3 – External auditor certificate and report 2014/15

## Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Audit Commission Act 1998 as transitionally saved, for the year ended 31 March 2015 in respect of:

HARROGATE FRENCH COUNCIL  
Council/Meeting

## Respective responsibilities of the body and the auditor

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

- summarises the accounting records for the year ended 31 March 2015; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to review the annual return in accordance with guidance issued by the Audit Commission (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

(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. (\*delete as appropriate).

The Council failed to approve its accounts by the statutory deadline of the 30<sup>th</sup> June as quoted in the Accounts and Audit (England) Regulations 2011.

The Council did not undertake and minute a full risk assessment during the year. The council cannot evidence that it has assessed and taken appropriate steps to manage all the risks it faces. This is contrary to Regulations 4(1) & 4(2) of the Accounts and Audit (England) Regulations 2011

(continue on a separate sheet if required)

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

Please see enclosed report

BDO LLP Southampton  
United Kingdom

(continue on a separate sheet if required)

External auditor signature

*BDO*

External auditor name

BDO LLP Southampton

Date

21/9/15

United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Note: The Audit Commission issued guidance in its Standing Guidance, which is applicable to external auditors' work on 2014/15 accounts.

# Section 4 – Annual internal audit report 2014/15 to

Council/Meeting

ENHARTON PARISH COUNCIL

The council's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2015.

Internal audit has been carried out in accordance with the council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the council.

Internal control objective		Agreed? Please choose only one of the following	
Yes	No	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
A	Appropriate accounting records have been kept properly throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B	The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C	The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
D	The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
G	Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
H	Asset and investment registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I	Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
K	Trust funds (including charitable) The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

For any other risk areas identified by the council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

\* Recommendation - Evidence to support findings to charities should be obtained in the form of a receipt.

Name of person who carried out the internal audit

Signature of person who carried out the internal audit

26/7/15

If the response is 'no' please state the implications weakness in control identified (add separate sheets if needed).  
 \*\*Note: If the response is 'not covered' please state in this area and when it is next planned, or, if covered (add separate sheets if needed).

Work was done explain why