

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

ASHEX MAGNA PARISH COUNCIL

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 | | No* | |
|--------|-----|-----|-----|-----|
| | Yes | No* | Yes | No* |

| | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| 1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. | | | | | | | | | |
| 2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | | | | | | | | | |
| 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. | | | | | | | | | |
| 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. | | | | | | | | | |
| 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. | | | | | | | | | |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | | | | | | | | | |
| 7. We took appropriate action on all matters raised in reports from 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. | | | | | | | | | |
| 9. (For local councils only) Trust funds including charitable fund(s)/assets, including financial reporting and, if discharged our accounting responsibilities for the In our capacity as the sole managing trustee we required, independent examination or audit. | | | | | | | | | |

This annual governance statement is approved by this smaller authority and recorded as minute reference:

1493 dated 26.05.16

Signed by: Chair
dated: 26.05.16
Signed by: Clerk
dated: 26/05/2016

*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

ASUBH MAHNA PAKISHA COUNCIL

Enter name of smaller authority here:

| Notes and guidance | Year ending | |
|---|---------------|---------------|
| | 31 March 2015 | 31 March 2016 |
| Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. | £ | £ |
| 1. Balances brought forward | 3057 | 1698 |
| 2. (+) Precept or Rates and Levies | 6977 | 6760 |
| 3. (+) Total other receipts | 332 | 2365 |
| 4. (-) Staff costs | 2491 | 309 |
| 5. (-) Loan interest/capital repayments | 0 | 0 |
| 6. (-) All other payments | 6178 | 11404 |
| 7. (=) Balances carried forward | 1698 | 20410 |
| 8. Total value of cash and short term investments | 1698 | 20410 |
| 9. Total fixed assets plus long term investments and assets | 35279 | 35600 |
| 10. Total borrowings | 0 | 0 |
| 11. (For Local Councils Only) Disclosure note re Trust funds (including charitable) | | |
| The Council acts as sole trustee for and is responsible for managing Trust funds or assets. | Yes | No |
| 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

[Signature]

Date 17.05.2016

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

26.05.2016

and recorded as minute reference:

1493

Signed by Chair of the meeting approving these accounting statements.

[Signature]

Date 06/06/2016

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:
ASHBY MAGNA PARISH COUNCIL

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

(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).

(continue on a separate sheet if required)

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

SEE ATTACHED

(continue on a separate sheet if required)

External auditor signature

Grant Thornton UK LLP

External auditor name

Grant Thornton UK LLP

Date

13 September 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)

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

ASUGY MAGNA PARISH COUNCIL

This smaller authority'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 2016.

Internal audit has been carried out in accordance with this smaller authority'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 this smaller authority.

Internal control objective

Agreed? Please choose only one of the following

Yes No* Not covered**

| Internal control objective | Yes | No* | Not covered** |
|--|-----|-----|---------------|
| A. Appropriate accounting records have been kept properly throughout the year. | ✓ | | |
| B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | ✓ | | |
| C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | ✓ | | |
| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | ✓ | | |
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | ✓ | | |
| F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for. | | | N/A |
| G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied. | | | N/A |
| H. Asset and investments registers were complete and accurate and properly maintained. | ✓ | | |
| I. Periodic and year-end bank account reconciliations were properly carried out. | ✓ | | |
| 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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | ✓ | | |

K. (For local councils only)

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Yes No Not applicable

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit

CAROL SUMNER

Signature of person who carried out the internal audit

COSUMNER

Date

21/05/2016

**If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2015/16 annual return

1. You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialed and explanation provided. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs. **Smaller authorities must approve the annual governance statement before approving the accounts.**
3. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness before sending it to the external auditor.
4. Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Chair.
5. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (**Section 2 on page 3**). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide*.
6. Explain fully significant variances in the accounting statements on **page 3**. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide* to assist you.
7. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge. **From 2016 onwards, you must inform the auditor of the date set for the commencement of the period for the exercise of public rights.**
8. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2015) equals the balance brought forward in the current year (Box 1 of 2016).
9. Do not complete Section 3 which is reserved for the external auditor.

| Completion checklist – 'No' answers mean you may not have met requirements | |
|--|---|
| Done? | ✓ |
| All sections | ✓ |
| All additional information requested, including the dates set for the exercise of public rights, has been provided for the external auditor? | ✓ |
| Section 1 | ✓ |
| For any statement to which the response is 'no', an explanation is provided? | ✓ |
| Section 2 | ✓ |
| Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting? | ✓ |
| An explanation of significant variations from last year to this year is provided? | ✓ |
| Bank reconciliation as at 31 March 2016 agreed to Box 8? | ✓ |
| An explanation of any difference between Box 7 and Box 8 is provided? | ✓ |
| Trust funds – all disclosures made if a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested. | ✓ |
| Internal Audit report | ✓ |
| All highlighted boxes completed by internal audit and explanations provided? | ✓ |

*Note: Practitioners' Guides are available from your local NALC, SLCC or ADA representatives or from www.nalc.gov.uk or www.slcc.co.uk or www.ada.org.uk.