

# Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of  
smaller authority here:

CHEPPERFIELD 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:

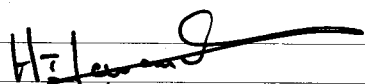
	Agreed			'Yes' means that this smaller authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			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.	✓			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 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.	✓			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.	✓			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.	✓			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.	✓			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:

dated 18/16  
dated 31 05 2016

Signed by:

Chair

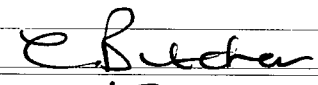


dated

1 JUNE 2016

Signed by:

Clerk



dated

1 JUNE 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

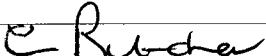
Enter name of smaller authority here:

CHIPPERFIELD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	82645	88251	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	29351	29351	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	19478	27624	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	21434	28228	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	21789	36025	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	88251	80973	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	88251	80973	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	34905	41017	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.
	<input type="checkbox"/>	<input type="checkbox"/>	

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



Date ed 31  
1 JUNE 2016

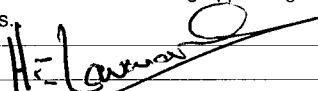
I confirm that these accounting statements were approved by this smaller authority on this date:

16 MAY 2016

and recorded as minute reference:

18/16

Signed by Chair of the meeting approving these accounting statements.



Date 1<sup>st</sup> JUNE 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:

Chippesheld 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).

The Authority did not undertake and minute a full risk assessment during the year. The authority cannot evidence that it has assessed and taken appropriate steps to manage all the risks it faces. This is contrary to Regulations 3(c), 6(1)(a) & 6(3)(a) of the Accounts and Audit Regulations 2015.

(continue on a separate sheet if required)

BDO LLP Southampton  
United Kingdom

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

Please see enclosed report

(continue on a separate sheet if required)

BDO LLP Southampton  
United Kingdom

External auditor signature

*[Handwritten Signature]*

External auditor name

**BDO LLP Southampton  
United Kingdom**

Date

26/4/16

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](http://www.nao.org.uk))

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

**ISSUES ARISING REPORT FOR  
Chipperfield Parish Council  
Audit for the year ended 31 March 2016**

## Introduction

The following matters have been raised to draw items to the attention of Chipperfield Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. This report must be presented to a full meeting of the smaller authority for review.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Risk Assessment
  - Approval of the annual return
  - Minuting Approval of the Annual Return
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The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the council's procedures and require the council to take immediate action.

### Risk Assessment

#### *What is the issue?*

The smaller authority have not carried out and minuted a risk assessment as part of its review of the effectiveness of internal control during the year.

#### *Why has this issue been raised?*

This is a breach of regulation 4 of the Accounts and Audit Regulations 2015 which requires authorities to review the effectiveness of internal control which includes arrangements for the management of risk.

#### *What do we recommend you do?*

The smaller authority must ensure that a risk assessment is carried out as part of its review of the effectiveness of internal control before the end of the financial year. This review of effectiveness of internal control and risk assessment must be reviewed and minuted as evidence of the review being undertaken annually before the end of the financial year.

The smaller authority should decide which risks it faces and how it is going to reduce the impact of these risks on the smaller authority's ability to provide its services. An example of the risks and how they can be handled is included in "A Practitioner's Guide 2014 version" published by NALC & SLCC.

An example risk table is available on our extranet to assist the smaller authority in assessing and clarifying its risks. If the smaller authority decides to utilise this table then it should be reviewed in detail, modified and adapted to the smaller authority's specific needs. If you do not have access to the internet, contact us and we can supply you with a copy.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC  
Audit Briefing, Winter 2012 - BDO LLP

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The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the council so they do not occur again in future years.

#### **Approval of the annual return**

##### *What is the issue?*

The minute reference date inserted in Section 1 is incorrect and should be 16 May 2016.

##### *Why has this issue been raised?*

The annual return has not been completed properly.

##### *What do we recommend you do?*

The council must ensure in future years that the annual return is completed with the correct minute reference date inserted in each section.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability, A Practitioners Guide - NALC/SLCC

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The following issue(s) have been raised to assist the council. The council is recommended to take action on the following issue(s) to ensure that the council acts within its statutory and regulatory framework.

#### **Minuting Approval of the Annual Return**

##### *What is the issue?*

The minutes supplied did not specifically minute the smaller authority's approval of Section 1 - Annual Governance Statement and Section 2 - Accounting Statements.

##### *Why has this issue been raised?*

Failure to minute the approval of the Annual Governance Statement and the Accounting Statements has exposed the smaller authority to undue risk of non adoption of the Annual Return.

##### *What do we recommend you do?*

The smaller authority must ensure in future years that the minutes clearly state its acceptance of Section 1 - Annual Governance Statement, the minutes record their specific answers to Section 1 and its acceptance of Section 2 - Accounting statements.

It is essential that minutes clearly record the decisions of the smaller authority as they are the lawful record of the events of the meetings.

Further guidance on this matter can be obtained from the following source(s):

Local Council Administration, 8th Edition, Charles Arnold-Baker; Chapter 7

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 26 September 2016

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