

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

INSKIP WITH SOVERAY 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.
			✓	

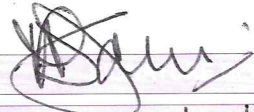
This annual governance statement is approved by this smaller authority and recorded as minute reference:

8.1

dated 21/04/16

Signed by:

Chair




21/04/16

dated

Signed by:

Clerk

dated



21/04/16

*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:

INSKIP-WITH-SOWERBY PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	7555	9014	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	8831	8831	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	661	2690	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	2180	3678	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	0	0	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	5853	3008	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	9014	8849	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	9014	8849	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	476	8595	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 <i>marked 16/6/16 AS 16/6/16</i>
10. Total borrowings	0	0	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



Date

26/04/16

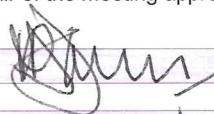
I confirm that these accounting statements were approved by this smaller authority on this date:

19/05/2016

and recorded as minute reference:

8.1

Signed by Chair of the meeting approving these accounting statements.



Date

19/05/2016

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:

INSKIP WITH SOWERBY 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).

An appropriate risk assessment has not been minuted during the year as evidence that the Authority has assessed and taken appropriate steps to manage all the risks it faces. This is contrary to Regulation 6(a) of the Accounts and Audit Regulations 2015.

(continue) Fixed assets have not been accounted for in accordance with proper practices as specified by the Accounts and Audit Regulations 2015.

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)

External auditor signature

**BDO LLP Southampton
United Kingdom**

External auditor name

Date

27/9/16

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)

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

**ISSUES ARISING REPORT FOR
Inskip-with-Sowerby Parish Council
Audit for the year ended 31 March 2016**

Introduction

The following matters have been raised to draw items to the attention of Inskip-with-Sowerby 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;

- S4 - Internal Audit Checks
- Minor issues
- Risk Assessment - Not minuted during the year
- Gifted asset additions

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 - Not minuted during the year

What is the issue?

The smaller authority has not minuted its review of effectiveness of internal control including its risk assessment 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 smaller 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 the risk assessment is reviewed and this review is minuted at least once a year before the end of the financial year. This review is for the smaller authority to evidence as a whole that they are satisfied that all the risks facing the smaller authority have been identified and safeguards have been put in place to protect against those risks.

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

Gifted asset additions

What is the issue?

The smaller authority have acquired an asset during the year at nil cost to the smaller authority. The smaller authority has given this asset a value in box 9 of the annual return.

Gifted or adopted assets should not be given an estimated value on the annual return, it should be included at a £1 or nil, as it cost nothing to the smaller authority.

Why has this issue been raised?

The accounting treatment is not in compliance with proper practices in force during the year.

What do we recommend you do?

The Practitioners Guide states that all assets should be held at cost. In future the smaller authority should review the current Practitioners Guide to ensure that they are accounting for assets correctly.

The cost value of assets is not expected to change unless an asset is ever disposed of or scrapped.

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

The following issue(s) have been raised to assist the council in improving its internal controls or working practices. The council is recommended to consider these but is under no statutory obligation to act upon them.

S4 - Internal Audit Checks

What is the issue?

The Internal Auditor has not detailed their responses to the specific internal control objectives as detailed in section 4 of the annual return. Instead the internal auditor's report has been provided which has been reviewed by BDO. The internal auditor's report however does not answer the following tests on Section 4 which we consider relevant to your smaller authority.

The smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Asset and investment registers were complete and accurate and properly maintained.

Why has this issue been raised?

Failure to undertake these tests result in an incomplete internal audit being undertaken and the smaller authority could be exposed to risks in these areas.

What do we recommend you do?

The above tests should be carried out in future years by the Internal Auditor. The smaller authority should ensure he/she provides a full report to the smaller authority to ensure all the activities are properly carried out and recorded.

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

The following issues have been raised as the comparatives have been changed.

Minor issues

What is the issue?

The following issue(s) has been raised as the comparatives have been changed:

The comparative figures disclosed in Section 2 of the Annual Return do not agree to the audited Annual Return for the year ended 31 March 2015. The comparative figures for the year ended 31 March 2015 were restated. We have reviewed the adjustments made and we are satisfied they are correct.

Why has this issue been raised?

This is raised to bring the matter to the attention of readers of the annual return.

What do we recommend you do?

No further action is required.

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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 27 September 2016
