

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

GREENHEAD 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 2017, 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.	YES			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.	YES			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.	YES			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.	YES			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.	YES			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.	YES			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.	YES			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.	YES			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 on:

15/05/17

Signed by Chair at meeting where approval is given:



and recorded as minute reference:

427/17.2

Clerk:

K R Little

*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 2016/17 for

Enter name of smaller authority here:

GREENHEAD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	3770	6892	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 <i>kl</i>	6300	6400	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts <i>2916</i>	1882	4451	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	1112	1036	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	4982	12852	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	6892 5828	3855	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	6892 5828	3855	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	30770	31969 31969 <i>kl</i>	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
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 Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. GREENHEAD MILLENNIUM GREEN N.B. The figures in the accounting statements REG 107332A above do not include any Trust transactions.

I certify that for the year ended 31 March 2017 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:

K R Little

Date 15/05/17

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

15/05/17

and recorded as minute reference:

427/17.2

Signed by Chair at meeting where approval is given:

Section 3 – External auditor report and certificate

In respect of:

Enter name of
smaller authority here:

GREENHEAD PARISH COUNCIL

1. 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 2017; 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.

2. 2016/17 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 other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met. (~~*delete as appropriate~~).

There is a breach of Proper Practices, regulations or legislation which we have noted in our opinion - please see enclosed report.

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)

3. 2016/17 External auditor certificate

We certify/~~do not 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 2017.

* We do not certify completion because:

External auditor signature

BDO LLP
BDO LLP Southampton
United Kingdom

External auditor name

Date

22/1/17

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Introduction

The following matters have been raised to draw items to the attention of Greenhead Parish Council. These matters came to the attention of BDO LLP during the review of the annual return for the year ended 31 March 2017. This report must be presented to a full meeting of the smaller authority for review.

The review 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;

- Assets
 - Prior year restated to include apportionment of JBC's reserves but does not include apportionment of receipts and payments
 - The smaller authority does not contain an apportionment of the JBC's assets
 - Smaller authority may be double counting receipts and payments in their apportionment of the JBC
-

The following issues have resulted in the annual return being qualified. They indicate either a breach of proper practices or legislation and they require the smaller authority to take immediate action to rectify these issues.

Assets

What is the issue?

The smaller authority has not included all additions of fixed assets, in the prior year in box 9 of Section 2 of the Annual Return.

Why has this issue been raised?

The value of fixed assets included in the Annual Return appears to be under valued in the prior year.

What do we recommend you do?

The smaller authority must ensure that the value of its fixed assets is correctly stated in Section 2 of the Annual Return. The value of fixed assets should be consistent year to year and prepared on the same basis. The value of all fixed assets must be recorded in the fixed assets register. Assets may comprise of land, buildings, plant and equipment, vehicles, notice boards, street furniture etc, property that will be of economic benefit to the meeting over a period substantially longer than one financial year.

The smaller authority must ensure that the register of assets is updated to record all additions and disposals of assets on an annual basis.

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 we have detected issues with the governance arrangements of the smaller authority. It is recommended that the smaller authority consider these matters and decide what action to take to improve the governance arrangements as soon as possible.

Prior year restated to include apportionment of JBC's reserves but does not include apportionment of receipts and payments

What is the issue?

The smaller authority is part of a group of smaller authorities overseeing the Haltwhistle & District Joint Burial Committee. The Joint Burial Committee does not prepare an individual annual return and accounts and are therefore brought onto the annual returns of the group of smaller authorities, apportioned in set percentages determined each year.

The prior year figures were restated to include the smaller authority's share of Joint Burial committee's bank account in receipts (Box 3). They do not however state the prior year's apportionment of receipts and payments through box 3 and 6.

Why has this issue been raised?

This has resulted in the current year being prepared on a different basis to the prior year.

What do we recommend you do?

Going forward, the smaller authority should present both the current and prior year on the same basis.

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

Not applicable

The smaller authority does not contain an apportionment of the JBC's assets

What is the issue?

The smaller authority is part of a group of smaller authorities overseeing the Haltwhistle & District Joint Burial Committee. The Joint Burial Committee does not prepare an individual annual return and accounts are therefore brought onto the annual returns of the group of smaller authorities, apportioned in set percentages determined each year.

It appears from previous annual returns prepared by the Joint Burial Committees that it holds fixed assets. These have not been apportioned or included in any of the smaller authority's overseeing the committee.

Why has this issue been raised?

The fixed assets of the Joint Burial Committee have not been included in any of the annual returns of smaller authority's overseeing the committee.

What do we recommend you do?

Going forward, the fixed assets of the Joint Burial Committee should be apportioned to the smaller authority's overseeing it or included in the annual return of one smaller authority.

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

Not applicable

Smaller authority may be double counting receipts and payments in their apportionment of the JBC

What is the issue?

The smaller authority is part of a group of smaller authorities overseeing the Haltwhistle & District Joint Burial Committee. The Joint Burial Committee does not prepare an individual annual return and accounts are therefore brought onto the annual returns of the group of smaller authorities, apportioned in set percentages determined each year. It appears from review of the annual return that no adjustments have been made on consolidation to eliminate the smaller authorities own contribution. This would result in the payment initially made to the Joint Burial Committee being effectively double counted as it would be included in payments and then a proportion of the same receipts from the smaller authority's being included in the apportionment of total income from the Joint Burial Committee.

Why has this issue been raised?

Receipts and payments may have been overstated.

What do we recommend you do?

Going forward, the smaller authority should make an adjustment to remove their payment to the joint burial committee from receipts and payments.

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

Not applicable

Introduction

The following items are being brought to the attention of the clerk of Greenhead Parish Council. These items came to the attention of BDO LLP during the review of the annual return for the year ended 31 March 2017 but are not required to be reported to the smaller authority. These items are not considered to be either a breach of legislation or proper practices or other matters to report.

The review 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;

- Trust Question
-

The following matters are being brought to your attention as we have detected administrative matters aimed at improving the review process in the future or items that have changed that we wish you to just note. These matters are not raised as formal matters and do not require reporting to the council.

Trust Question

What is the issue?

The Trust question in section 1 of the Annual Return has not been answered. The question in section 1 should have been answered Yes to confirm that the Smaller Authority has met its responsibilities as sole managing trustee of a trust or charity.

Why has this issue been raised?

The Annual Return has not been fully completed, as a question remains unanswered.

What do we recommend you do?

The Smaller Authority should ensure in future years that all of the questions and boxes are fully completed prior to the form being submitted.

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

Governance and Accountability in England - A Practitioners' Guide - NALC/SLCC

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 29 September 2017
