



**COUNCIL**

**12 JUNE 2017**

## **Annual Governance Statement**

**Author: Cas Leo, Town Clerk**

### **1. Background**

The Accounts and Audit Regulations 2015 require smaller authorities to annually conduct a review of the effectiveness of the system of internal controls and prepare an annual governance statement in accordance with proper practices in relation to accounts.

The annual governance statement contains a number of assertions to which the authority must answer 'yes' or 'no' to confirm its compliance or otherwise. Further details of the actions that authorities need to have taken in order to answer 'yes' to each of the assertions is given in the [\*Practitioners' Guide to Proper Practices\*](#).

### **2. Discussion**

There are a number of ways in which the Council ensures that it has the appropriate internal controls in place. A Responsible Finance Officer is appointed to oversee the administration of its financial affairs and advise the Council on the correct financial procedures.

The Finance Officer reports monthly to Council on the Council's finances and budgets. Members of the Council carry out quarterly audits of the accounts. A further internal audit is carried out twice yearly by a fully qualified independent auditor (currently Hudson Accounting). Finally, the Town Council's accounts are also submitted to an external auditor for review.

The Town Council also reviews the Town Council's Standing Orders and Financial Regulations on a regular basis to ensure that the correct procedures are in place; the annual accounts are available for public inspection each year during the audit process.

The Town Council's officers and auditors are guided by the *Practitioners' Guide to Proper Practices* which ensures that the Town Council's systems are up to date with current guidelines and legislation.

### **3. Recommendation**

That the Annual Governance Statement for year ended 31 March 2017, attached as an appendix to the report, be approved.

### **4. Appendices**

Annual Governance Statement 2016/17

# Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of  
smaller authority here:

PENRYN TOWN 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.	✓		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 on:

06/17

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair at meeting where approval is given:

SIGNATURE

Clerk:

SIGNATURE

\*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.