

Scope for improvement in 2017/18

As referred to in our audit report the Council left some dates and minute references blank on the annual return. In future, the Council should ensure that the annual return is fully completed.

The internal control objective (f), 'petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for', was ticked 'yes' by the internal auditor when no petty cash was held by the Council. The box should have been ticked 'not covered' or N/A and an explanation provided if no petty cash held. In future, the Council should ensure the Internal Auditor explains that there was no petty cash to audit and ticks not covered in respect of the petty cash control objective.

Audit fee

Due to Mazars's closedown period for our final accounts, our fee note will follow at a later date. This will be in accordance with the audit fee scales set by the Audit Commission, and available at <http://www.psaa.co.uk/small-bodies-fees/>

Arrangements for 2017/18

We have now discharged our duties as your auditor under the Audit Commission contract. Smaller Authorities' Audit Appointments Limited have appointed PKF Littlejohn LLP as your auditor for five years from 2017/18 unless your Council opted out of the process. The address for correspondence is:

PKF Littlejohn
1 Westferry Circus
London
E14 4HD

Yours sincerely



Cameron Waddell
Partner

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

LUDFORD 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.	✓		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:

19/06/2017

and recorded as minute reference:

19/06/179d

Signed by Chair at meeting where approval is given:

[Signature] SURE

Clerk:

[Signature] 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.

2.2016/17 External auditor's report

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

The Council holds reserves of £9,158 compared to its annual precept of £3,750 and expenditure of £4,859. The Council has no powers to hold revenue reserves for general purposes other than for reasonable working capital and should consider earmarking funds for specific purposes.

In undertaking the review of the 2016/2017 Annual Return it came to our attention that in 2017 the Council has not met the requirements of the Accounts and Audit Regulations to publish the annual return and notice of electors rights for the duration of the electors rights period. The Council should ensure that in 2017/2018 they comply with the Regulations and respond no to assertion 4 in its Annual Governance Statement.