

APPENDIX B - Annual Governance Statement Assertions

Assertion 1: Financial management and preparation of accounting statements

We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Budgeting

The Council prepares and approves a budget in a timely manner before setting a precept or rates and prior to the commencement of the financial year. It monitors actual performance against its budget during the year, taking corrective action where necessary. A financial appraisal is undertaken before the Council commences any significant project or enters into any long-term commitments.

2. Accounting records and supporting documents

The Council has appointed an officer to be responsible for the financial administration of the authority in accordance with section 151 of the Local Government Act 1972. The Council has satisfied itself that its Responsible Finance Officer (RFO) has determined a system of financial controls and has put in place effective procedures to record all financial transactions and maintain up to date accounting records throughout the year, together with all necessary supporting information accurately and promptly. The accounting statements in Section 2 of the Annual Governance and Accountability Return agree to the underlying records.

3. Bank reconciliation

Statements reconciling each of the Council's bank accounts with its accounting records are prepared on a regular basis, including at the financial year-end, and are reviewed by the Finance Group.

4. Investments

Arrangements are in place to ensure that the Council's funds are managed properly and that any amounts surplus to requirements are invested appropriately, in accordance with statutory guidance on local government investments. The Council has in place an Investment Strategy.

5. Statement of accounts

The Council has arrangements in place to enable preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices.

Assertion 2: Internal control

We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Standing Orders and Financial Regulations

The Council has in place standing orders and financial regulations governing how it operates. These are regularly reviewed, fit for purpose, and adhered to.

2. Safe and Efficient Arrangements to Safeguard Public Money

Practical and resilient arrangements are in place to cover how the Council orders goods and services, incurs liabilities, makes payments, and handles receipts. These include:

- Safe and efficient arrangements to safeguard public money.
- Regular review of the effectiveness of arrangements to protect money.
- Ensuring controls over money are embedded in Standing Orders and Financial Regulations.
- Approval of the setting up of, and any changes to, accounts with banks or other financial institutions.
- Defining limits for corporate card accounts which are cleared monthly by direct debit from the main bank account.
- Approval of bank mandates, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.
- Risk assessments and internal controls focussing on the safety of the Council's assets.

3. Employment

The remuneration payable to employees is approved in advance by the Council. Robust payroll arrangements cover the accuracy and legitimacy of payments of salary. The Council complies with its duties under employment legislation and has met its pension obligations.

4. VAT

The Council has robust arrangements in place for handling its responsibilities regarding VAT and completes an annual VAT126 claim.

5. Fixed Assets and Equipment

The Council's assets are secured, properly maintained, and efficiently managed. Appropriate procedures are followed for any asset disposal.

6. Loans and Long-Term Liabilities

Any loan or similar commitment is only entered into after the Council is satisfied that it can be afforded and that relevant approvals have been obtained. Proper arrangements are in place to ensure that funds are available to make repayments of capital and any associated interest and other liabilities.

7. Review of effectiveness

In compliance with Regulation 6 of the Accounts and Audit Regulations 2015, the Council conducts an annual review of the effectiveness of the system of internal control. This review informs the Council's preparation of its annual governance statement.

Assertion 3: Compliance with laws, regulations and proper practices

We took all reasonable steps to assure ourselves that there are no matters of actual or potential noncompliance 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.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Acting within its powers

Appropriate decision making processes are in place to ensure that all activities undertaken fall within the Council's statutory powers to act. The Council has robust procedures in place to prevent any decisions or payments being made that are ultra vires, i.e. that the Council does not have the lawful power to make. Legal powers are carried out reasonably.

2. Regulations and proper practices

Procedures are in place to ensure the Council complies with statutory regulations. Applicable proper practices are regularly reviewed and new requirements, or changes to existing ones, are reported to members and applied. The Council has due regard to the requirements of the Accounts and Audit Regulations 2015.

3. Actions during the year

The Council satisfies itself that it has not taken any decision during the year, or authorised any action, that exceeds its powers or contravenes any laws, regulations, or proper practices.

Assertion 4: Exercise of public rights

We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Exercise of public rights

The Council provides for the exercise of public rights as set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014. The RFO publishes on the Council's website Sections 1 and 2 of the Annual Governance and Accountability Return; a declaration that the status of the statement of accounts is 'unaudited'; and a statement detailing how public rights can be exercised.

2. External Auditor's review

A notice of the conclusion of the external auditor's limited assurance review of the Annual Governance and Accountability Return, together with relevant accompanying information, is published in accordance with the requirements of Regulation 16 the Accounts and Audit Regulations 2015.

Assertion 5: Risk Management

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.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Identifying and assessing risks

The Council has identified, assessed and recorded risks that could have financial or reputational consequences.

2. Addressing risks

Having identified, assessed and recorded the risks, the Council has addressed these risks by ensuring that appropriate measures are in place to mitigate and manage risk. This has included the introduction of internal controls and/or appropriate use of insurance cover.

Assertion 6: Internal Audit

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Internal audit

The Council has undertaken an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes.

2. Provision of information

The Council has taken all necessary steps to facilitate the work of those conducting the internal audit, including making available all relevant documents and records and supplying any information or explanations required.

Assertion 7: Reports from Auditors

We took appropriate action on all matters raised in reports from internal and external audit.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Audit findings

The Council has considered all matters brought to its attention by its external auditor and internal auditor and has taken corrective action as appropriate.

Assertion 8: Significant events

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.

To warrant a positive response to this assertion, the following processes have been put in place and are effective:

1. Significant events

The Council has considered if any events that occurred during the financial year (or after the year-end), had consequences, or potential consequences, on the Council's finances.

Assertion 9: Trust Funds – N/A

The Council is not a sole managing trustee of a local trust or trusts.