

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of smaller authority here:

MARDEN 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:

08/05/2017

and recorded as minute reference:

MIN 9.1

Signed by Chair at meeting where approval is given:

SIGNATURE

Clerk:

Alisa Smith

*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:

MARDEN PARISH COUNCIL

RESTATED

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.			
1. Balances brought forward	33,847	33,152	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	19,560	27,500	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	11,743	9,136	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	10,630	11,069	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	21,368	33,731	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	33,152	24,988	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	30,686	20,106	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	19,515	19,765	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	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 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:

Alison Smith

Date 08/05/2017

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

08/05/2017

and recorded as minute reference:

9.2

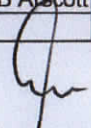
Signed by Chair at meeting where approval is given:

[Signature]

Marden Parish Council Accounts 2016/2017

	£	Income £	Expenditure £	Totals £
Balance per bank statements as at 31/3/17				
Current Account	21,455.67			21,455.67
Less any unrepresented cheques/deposits at 31/3/17				
C/N 1283 Sutton Walls Conservation Group			200.00	
C/N 1285 Society of Local Council Clerks			69.50	
C/N 1289 Herefordshire Association of Local Councils			240.00	
C/N 1290 DC Gardening			840.00	1,349.50
Net Balances as 31/3/17				20,106.17
Cash Book				
Opening balance 1 April 2016				
Current a/c	30,785.55			30,785.55
Add: Receipts in the year	39,101.95			39,101.95
Less: Payments in the year			49,681.83	49,681.83
Less: Payments from 2015-16 presented after 1/4/16				
C/N 1218 Society of Local Council Clerks			74.50	
C/N 1216 B Apocott			25.00	99.50
Closing balance per cash book as at 31/3/17				20,106.17

Signed by Chairman of Marden Parish Council

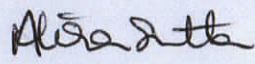


Date

8/1/17

Robert Bartup


Signed by Clerk/RFO of Marden Parish Council



Date

8/5/17

Alison Sutton


8/2 of 2017

**MARDEN PARISH COUNCIL
HEREFORDSHIRE**

Explanation of Variances

Box on section 2	2016 £	2017 £	Variance increase (+) or decrease (-)	% (Variance divided by 2016 figure multiplied by 100)	Explanation (If more than £250 or 15%)
Box 2 Precept	19,560	27,500	+7,940	40.6	More £1,900 – for Lengthsman scheme, so reserves not used to top up as in previous year More £1,800 – for Salary and expenses, 20% increase in routine hours from previous year, extra hours for New Community Facilities (NCF) group admin (Parish council group working on new community centre) More £1,090 – no council tax support grant More £2,500 – for NCF expenses, legal fees, questionnaires, so reserves not used as previous year More £300 – for parish maintenance, general increase in costs More £350 – for postage & stationery, insurance, subscriptions, parish freighter cost, general increase in costs
Box 3 Other receipts	11,743	9,136	-2,607	22.2	Less £2,297 – for Lengthsman and P3 scheme grant Less £2,401 – no NDP grant this year Less £1,090 – no council tax support grant More £1,455 – payment by solar farm company (in lieu of S106 monies) More £652 – donations towards NCF More £975 – green sacks sold More £100 – sundry donation
Box 4 Staff costs	10,630	11,069	+439	4.1	More £988 – 20% increase in hours, increased rate as CiLCA qualified + national increase More £1,200 – NCF admin, previously paid from reserves Less £1,820 – NDP admin
Box 6 All other payments	21,368	33,731	+12,363	57.8	Less £3,183– new notice boards, improvement to track to scout hut and other sundries in previous year Less £1,897 – on Neighbourhood Development Plan costs Less £350 – reduced website costs Less £28 – reduced insurance premium negotiated Less £25 – lower audit fees Less £1,839 – reduced Lengthsman work as mild winter Less £56 – no election Less £785 – NCF costs More £13,570 – architects' fees for NCF from reserves More £2,750 – planning consultancy fees for objection documents More £794 – more parish freighter costs invoiced More £555 – Speed Indicator Device deployment More £802 – 2 subscriptions paid

				<p>More £145 – more room hire with NCF group More £154 – photocopier costs increased from parish information leaflet More £400 – S137 grants, including donation for purchase of cabinet for defibrillator More £820 – green sacks sold More £42 – village clock storage</p>
Box 9 Total fixed assets	19,515	19,765		<p>2015-16 Restated following external audit – increased by £1,075 for notice boards (not increased by further £478 as photocopier/computer interface software purchased not equipment) 2016-17 Increased by £500 for purchase of cabinet for defibrillator 2016-17 Decreased by £250 for disposal of bus shelter x1, nominal value of £250 as no record of actual purchase cost</p>

**MARDEN PARISH COUNCIL
HEREFORDSHIRE**

Reconciliation between boxes 7 and 8

Box 7		24,988
Box 8	20,106	
	+ 4,882 – VAT paid in 2016-17 and not refunded yet	24,988

This page is part of Section 3 - External auditor certificate and opinion 2016/17

Marden Parish Council

External Auditor Report for the year ended 31 March 2017

Matters reported

Internal controls

The Authority does not have an adequate system of internal control. The internal auditor has highlighted issues regarding cheque signatory and grant applications. The Authority must make sure that it follows its Financial Regulations paragraph 6.4, ensuring that cheques are signed by two members of the Authority. The person signing the cheque should not, under any circumstances, have a family, business or any relationships with the beneficiary of the payment.

The Parish Authority should ensure that internal financial controls are fully documented and periodically reviewed.

Other Matters not affecting our opinion wish we wish to draw to the attention of the authority

Fixed Asset Register

Per section 13.5 of the Authority's Financial Regulations it states "The RFO shall ensure that an appropriate and accurate Register of Assets is kept up to date". Within Section 2 Annual Internal Audit Report 2016/17 the internal auditor has concluded asset registers were not complete and properly maintained. This conclusion was made due to insufficient detail of records kept, and the failure to appropriately remove an asset from the asset register which was disposed of in the year.

The disposal has been appropriately reflected in Section 2, Accounting Statements for 2016/17, Box 9 through a manual adjustment between the asset register figure and the reported figure.

In future, the Authority must ensure a formal schedule of assets is maintained in sufficient detail and regularly updated.

Grant Thornton UK LLP

Grant Thornton UK LLP

Date *28.09.17.*

Our ref HRF084

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

MARDEN PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit

PRINT GEOFFREY NASH

Signature of person who carried out the internal audit

SIGNATURE 

Date

21.04.2017

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

'No' or 'Not covered' on the Annual Internal Audit Report

Authority name and reference	Marden Parish Council HRF084
Person carrying out the internal audit	Geoff Nash

Internal Audit Objective Conclusion (A to K)	Explanation for 'No' and what the Authority is doing to address the weakness - or explanation for why 'Not covered'*
F	Not covered as no petty cash used by council
H	Asset register needs extra information. One disposal not in variance – now amended. Action to maintain asset register with fuller details from 2015-16 onwards as all details suggested available for assets acquired that year and add information where available from old records

* Note: if the relevant objective is **applicable but has not been covered**, the person carrying out the internal audit must provide the Authority and the external auditor with details of:

- o why the objective has not been covered
- o when the most recent internal audit work was done in this area and
- o when it is next planned

Apart from one or two minor points the accounting records have been well kept and are easy to follow. The vast majority of transactions are well documented and the processes followed are clear.

Section F is marked "not covered" as there are no Petty Cash Transactions at all.

There are, however, two areas that I believe need major attention.

Asset Register

The single sheet that I have seen that is headed Asset Register has too little information and provides no data to justify the asset value shown on the returns. As it is I will have to tick the "No" box for section H on the Audit Report Form.

There is no indication of the age of the assets or how the value is calculated. The total value seems to be arrived at by adding the current year's purchases to last year's value. For the current year this seems to have ignored the fact that in December DG Gardening was paid for removing the bus shelter at Frankland's Corner, however small this must have had some impact on the overall value.

In an Asset Register I would be looking for the following columns at least ...

Description	Location	Date of Purchase	Initial Cost	Additions	Disposals	Current Value	Insured Value
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I appreciate that some of the information will now be very old but hopefully the Council will have kept the records that will enable a more detailed Register to be built.

Marden Recreation Ground Trust

Over the current year the council has paid for the regular mowing of the Playing Fields on 7 occasions I understand that these are paid as a part of a section 137 grant. However, most of these cheques having been signed by the senior trustee of the trust which I consider inappropriate as, even though the payments are made to a third party, he is effectively the recipient of the grant. Most alarming to me was the attitude of the council meeting in July (a meeting where Cllr. Bartup was not present) where it was agreed that as 3 payments had already been made a grant of £750 should be given to take care of the rest of the year. The allocation of grants is governed by a detailed policy and if the trust needs (and may even deserve) a grant, then it should be applied for and considered along with other applications from the community rather than be delivered as a fait accompli.

Geoff Nash
Internal Audit