

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

CHIGWELL PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for 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 2018, that:

	Agreed			'Yes' means that this 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 authority to conduct its business or manage 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 authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		✓		considered and documented the financial and other risks it faces and 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 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	N/A	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
			✓	

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

18.13.c.i

dated 10/05/2018

Signed by the Chairman and Clerk of the meeting where approval is given:

Chairman

Clerk

Other Information required by the Transparency Codes (not part of Annual Governance Statement)
Authority web address

www.chigwellparishcouncil.gov.uk

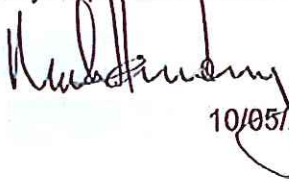
Section 2 – Accounting Statements 2017/18 for

CHIGWELL PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	338,063	556,001	<i>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.</i>
2. (+) Precept or Rates and Levies	285,126	276,954	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	225,390	79,915	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	181,833	134,626	<i>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.</i>
5. (-) Loan interest/capital repayments	7,703	7,703	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	103,043	181,343	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	556,001	589,199	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	541,584	580,071	<i>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.</i>
9. Total fixed assets plus long term investments and assets	739,375	754,900	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	101,679	98,231	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
		✓	<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer



Date

10/05/2018

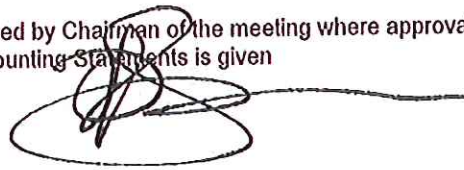
I confirm that these Accounting Statements were approved by this authority on this date:

10/05/2018

and recorded as minute reference:

18.13.c.ii

Signed by Chairman of the meeting where approval of the Accounting Statements is given



Section 3 – External Auditor Report and Certificate 2017/18

In respect of **Chigwell Parish Council EX0047**

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability 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 External auditor report 2017/18

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

We are unable to complete our review work on the AGAR and supporting documentation as a result of challenge correspondence received. A final report detailing any qualifications and 'other' matters will be provided with the certificate of completion, following finalisation of the review work and any additional work required in relation to this correspondence.

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

We are unable to complete our review work on the AGAR and supporting documentation as a result of challenge correspondence received. A final report detailing any qualifications and 'other' matters will be provided with the certificate of completion, following finalisation of the review work and any additional work required in relation to this correspondence.

3 External auditor certificate 2017/18

We do not certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018

We do not certify completion because:

We have received correspondence bringing information to our attention that we must consider before certifying the completion of our review and the discharging of our responsibilities.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF SIGNATURE

Date

24/09/2018

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Final External Auditor Report and Certificate 2017/18 in respect of Chigwell Parish Council – EX0047

Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with Proper Practices which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability 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.

External auditor report 2017/18

On 24/09/18 we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2018. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

- Section 1, Assertion 7 has been incorrectly completed. The detailed internal audit report for 2017/18 indicates that there are recommendations brought forward from the previous Internal audit which still need to be addressed, particularly in respect to the monitoring of progress against budget and minuting this. For this reason, we believe that the answer to Assertion 7 should have been "No". Financial Regulation 4.8 requires that the monitoring of spending against budget is carried out quarterly and this should be evidenced in the minutes. The smaller authority must ensure that action is taken to address the areas of weakness identified in the internal audit report as soon as possible.

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

- The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 3 and 5, but it has provided the appointed auditor with an explanation for non-compliance and details of the actions necessary to address weaknesses identified.
- In addition to the explanation given for non-compliance with Assertion 3, we identified two further instances of non-compliance with Financial Regulations as follows:
 - It was noted that, during the year an amendment to the Financial Regulations was made following a resolution by the Finance and Planning Committee which had not been agreed by the full Council as is required by the Financial Regulations. This error has since been rectified. The smaller authority should ensure in future that any decisions are resolved or ratified at the correct level of authorisation in accordance with the Standing Orders and Financial Regulations.

- o The smaller authority has confirmed that during the year the procedure for authorising payments did not comply with Financial Regulation 5.2 in full. The smaller authority should ensure that authorisation of payments is in line with the details in the Financial Regulations. We note that the smaller authority has taken action to address this matter since the year end.
- The response to governance assertion 3 in Section 1, Box 3 is inconsistent with the internal auditor's response to internal control objective C in the Annual Internal Audit Report. The authority should ensure that the internal auditor's report is reviewed before sending the document to the external auditors. The authority should minute this process. If there are any errors in the report it should either be amended by the internal auditor or the authority should provide an explanation for the error.
- The smaller authority has confirmed that during the year payments were made to a supplier under a contract where the original signed contract paperwork could not be located. The smaller authority should ensure that they retain copies of signed contracts and engagement letters for any contracted and ongoing services. We also recommend that the basis of appointment of firms supplying ongoing services is minuted in more detail in future.
- In the completion of their detailed report, the internal auditor has made several recommendations. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

External auditor certificate 2017/18

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.



PKF Littlejohn LLP
06/09/2019