Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

Tormarton 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 2020, that:

	Agreed			
	Yes	No	N/A	'Yes' means that this authority:
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.	✔			has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.

*For any statement to which the response is 'no', an explanation must be published

This Annual Governance Statement was approved at a meeting of the authority on:

15062020

and recorded as minute reference:

15/06/2020 -N04. d)

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

Chairman

Clerk

Explanation of the boxes ticked 'NO' on Section 1 – Annual Governance Statement 2019/2020

As part of the Annual Governance and Accountability Return (AGAR), Tormarton Parish Council must give an explanation for why they have ticked 'NO' on section one, the Annual Governance Statement. Below are the explanations of why the Council have answered 'NO'.

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

Explanation: In the year 2019/20, financial records were kept in an Excel Spreadsheet and receipts and payments were attributed to a specific heading. However, in this year a £1000 internal transfer was received as a receipt in April 2019 and has been shown throughout the year as income. This should have not been recorded as 'income' as it was an internal transfer and wasn't additional income to the cashbook.

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.

Explanation: As the Council did not have the 'General Power of Competence' in 2019/20, powers should have been published alongside all payments to ensure that the council had the right to pay for the work invoiced for. This has not been done hence why a negative assurance has been given. Furthermore, the internal auditor has stated in his report, 'The Council will need to give a negative assurance at Box 5 of the AGAR Governance Statement (Section 1), also considering carefully whether a similar negative assurance should be given at Box 3 in relation to expenditure of behalf of the Pond Charity, which is why the Council have also given a negative assurance at Box 3.

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.

Explanation: The Council did not in 2019/20 have any form of formal internal controls or any documents on risk management. Furthermore, the internal auditor has stated in his report, 'The Council will need to give a negative assurance at Box 5 of the AGAR Governance Statement (Section 1), also considering carefully whether a similar negative assurance should be given at Box 3 in relation to expenditure of behalf of the Pond Charity, which is why the Council have also given a negative assurance at Box 5.