



ANNUAL RETURN

TOWN COUNCIL MEETING

REPORT 91/18

8 OCTOBER 2018

The purpose of this Report is to inform Members of the delay in the External Auditor's processing of the Town Council's Annual Governance and Accountability Return and of its publication.

No. DETAILS

1) BACKGROUND

- a) The Town Council's Annual Governance and Accountability Return (AGAR) was approved at its meeting of 11 June 2018 and submitted the following day.
 - b) The Town Council has a statutory responsibility to display the final version of the AGAR on the Noticeboard and its website by 30 September.
 - c) However, compliance with that requirement was not possible this year as the new External Auditors – PKF Littlejohn LLP - had not been able to return the document with their section of it completed in time.
 - d) There were other Town and Parish Councils on the Island in the same position as at Thursday 27 September.
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2) CONFIRMATION OF DELAY

- a) An email from the External Auditors dated Saturday 29 September – one weekend day prior to the statutory deadline for display - included a letter that opens with: *We have commenced our review of the Annual Governance and Accountability Return for Ventnor Town Council for the year ended 31 March 2018 but cannot formally complete it.*
 - b) The missing final piece of the AGAR – the auditor's Report and Certificate - arrived in an email at 9pm on Sunday 30 September.
 - c) A copy of the relevant sections is attached to this Report for Members' information.
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3) CORRECTION

- a) The audit has identified one error in the figures in Boxes 2 and 3 of Section 2, with a grant element of £2,551 that has been included in Box 2 instead of Box 3.
 - b) As this has no impact on the Town Council's financial situation, the auditor has only asked for the correction to be made in next year's AGAR.
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4) DISPLAY

Sections 1 – 3 of the AGAR and the Notice of Completion of Audit are now available as required on the Town Council's web site and Noticeboard.

5) RECOMMENDATION

Members are recommended to note the delay in the provision of the auditor's report and certificate.

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

VENTNOR TOWN COUNCIL AUTHORITY

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	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
			✓

*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:

MINUTE REFERENCE 69/18

dated

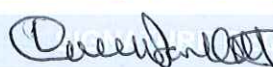
11/06/18

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.ventnorcouncil.org.uk

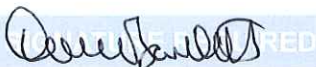
Section 2 – Accounting Statements 2017/18 for

VENTNORTON COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	117,273	133,124	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	271,809	282,974	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	173,220	153,459	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	173,957	198,621	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	11,498	11,498	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	243,723	250,811	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	133,124	108,627	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	172,376	166,034	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	18,495	17,570	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.
10. Total borrowings	161,273	155,731	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 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

6/06/18

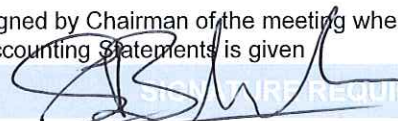
I confirm that these Accounting Statements were approved by this authority on this date:

11/06/18

and recorded as minute reference:

70/18

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



Final External Auditor Report and Certificate 2017/18 in respect of Ventnor Town Council HA0268

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 28 September 2018 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.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.:

- Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £280,423 and £156,010 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.

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

None

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

PKF Littlejohn LLP
30/09/2018