

# NOTICE OF CONCLUSION OF AUDIT

(LOCAL AUDIT AND ACCOUNTABILITY ACT 2014  
ACCOUNTS AND AUDIT REGULATIONS 2015)

## FOR

### Braishfield Parish Council

NOTICE is hereby given that the audit for the  
year ended 31 March 2016 was completed on

12 September 2016

and the accounts are now available for inspection by local electors  
in accordance with Section 25 of the Local Audit and Accountability Act 2014.  
The requisite information as defined by Section 13(1) of the Accounts and Audit  
Regulations 2015 ~~is/is not~~\* displayed alongside this notice

(\* Please delete as necessary)

If the requisite information is not displayed alongside  
this notice, it is available for inspection by appointment.

To arrange a viewing please contact

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

between the hours of \_\_\_\_\_ and \_\_\_\_\_

Dated: 23 September 2016 .

Signed:  .....

(Responsible Financial Officer)

# Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of  
smaller authority here:

*BRAISHFIELD 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 2016, 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.	✓		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 and recorded as minute reference:

MINUTE 808  
dated 03/05/16

Signed by:

Chair

*REDACTED*

dated

3 May 2016.

Signed by:

Clerk

*REDACTED*

dated

3/5/16

\*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 2015/16 for

Enter name of smaller authority here:

BRAISHFIELD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	11468	9224	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	10500	11000	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	2967	1827	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	2083	3005	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	13628	12792	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	9224	6254	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	9224	6254	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	9170	8668	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority as at 31 March
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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>	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 2016 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

REDACTED

Date 3/5/16

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

03/05/2016

and recorded as minute reference:

MINUTE REFERENCE 309

Signed by Chair of the meeting approving these accounting statements.

REDACTED

Date 3 May 2016.

# Section 3 – External auditor certificate and report

## 2015/16 Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2016 in respect of:

Enter name of  
smaller authority here:

BRAISHFIELD PARISH COUNCIL

### Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2016; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual 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

(Except for the matters reported below)\* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (~~\*delete as appropriate~~).

The Council have received charity income into its bank account. The Council has no power to receive this money. As the charity is a separate legal body they should establish a separate bank account to receive the money related to the charity.

(continue on a separate sheet if required)

BDO LLP Southampton  
United Kingdom

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

(continue on a separate sheet if required)

External auditor signature

*[Handwritten Signature]*

External auditor name

BDO LLP Southampton  
United Kingdom

Date

12/9/16

Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Braishfield Parish Council

## Issues arising from Audit for the year ended 31 March 2016

For the financial year ending 31 March 2016, the Audit identified that the Annual Return includes transactions and cash balances held on behalf of registered charities for which the council is the sole trustee (Braishfield War Memorial and Braishfield Recreation Ground). This is a breach of the Accounts and Audit Regulations 2015.

The correct practice is to conduct the business of the two charities separately from that of the council. The council has taken the following action to achieve this:

- From June 2015 meetings of the charities have been held entirely separately from those of the council, and separate agendas minutes are kept. Charity business is not discussed at meetings of the council.
- From 1 April 2016 the charities operate separate bank accounts and maintain their own books of accounts.

These measures mean that from 1 April 2016 (the start of the current financial year), the council is fulfilling its duties as sole trustee of the charities, and is complying with proper practices and the Accounts and Audit Regulations 2015.

Kate Orange

Clerk/RFO to Braishfield Parish Council

23/09/16

## Introduction

The following matters have been raised to draw items to the attention of Braishfield Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. This report must be presented to a full meeting of the smaller authority for review.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Administration of charitable money
-



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The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the council's procedures and require the council to take immediate action.

#### Administration of charitable money

##### *What is the issue?*

The annual return includes transactions and cash balances held on behalf of a registered charity.

##### *Why has this issue been raised?*

The council has failed to maintain separate books of account for the charity, which is a breach of their fiduciary duty as trustee. The council has not prepared its financial statements in accordance with proper practices in breach of the Accounts and Audit Regulations 2015. The proper practices for the administration of charitable money are set out in 'Governance and Accountability in Local Councils in England - A Practitioners' Guide 2010' paragraphs 1.38 to 1.49. Statutory information has not been adequately disclosed to the Charity Commission. The council's responsibility for the charity has not been publicly disclosed.

##### *What do we recommend you do?*

The council must ensure that as the charity is a separate legal entity from the council, its business is conducted separately from that of the council. The charity should also operate a separate bank account and maintain its own books of account.

The trustees of the charity must hold separate meetings, have separate agendas and minutes for these meetings. All charity business should be conducted at the meeting of the charity's trustees and charity business should not be discussed during the council's meetings. The council should update the trustee information with the Charity Commission to record the council is the sole trustee.

Further guidance on this matter can be obtained from the following source(s):

Charity Commission website ([www.charity-commission.gov.uk](http://www.charity-commission.gov.uk))  
Local Council Administration, 7th Edition, Charles Arnold-Baker, Chapter 13  
Audit Briefing, Spring 2010- BDO LLP

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 12 September 2016

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