

HAMPSHIRE COUNTY COUNCIL

Report

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| Committee/Panel: | Basingstoke Canal Joint Management Committee |
| Date: | 21st June 2012 |
| Title: | Annual Governance Statement |
| Reference: | |
| Report From: | Report of the Treasurer |

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1. Introduction

- 1.1. The Committee is aware that the Audit Commission has required the Canal to submit an annual return summarising its financial activities. Part of the return includes an Annual Governance Statement which assures the Audit Commission that the financial affairs of the Canal are conducted properly.
- 1.2. The Annual Governance Statement for the 2011/12 financial year is attached at Appendix A.
- 1.3. Appendix B contains some explanatory notes to show how the Canal complies with the requirements of the Governance statement.
- 1.4. The Committee is requested to approve the statement, so it can be signed off by the Chair and the Committee Clerk and returned to the Audit Commission.

2 Annual Return 2011/12

- 2.1 The Annual Return is a very basic summary of the 2011/12 financial activity of the Basingstoke Canal Authority which is attached at Appendix C.
- 2.2 The Annual Return has to be formally signed off by the Chair.

RECOMMENDATION

1. The Annual Governance Statement for 2010/11 is approved and signed off.
2. The Annual Return for 2010/11 is approved and signed off.

Section 2 – Annual governance statement

We acknowledge as the members of **BASINGSTOKE CANAL J.M.C.** 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 2012, that:

| | Agreed – | | 'Yes' means that the body: |
|--|----------|-----|---|
| | Yes | No* | |
| 1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices. | YES | | prepared its accounting statements in the way prescribed by law. |
| 2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | YES | | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge. |
| 3 We taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances. | YES | | has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done 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. | YES | | during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts. |
| 5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | YES | | 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 body's accounting records and control systems. | YES | | 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 the body. |
| 7 We took appropriate action on all matters raised in reports from internal and external audit. | YES | | 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 the body and where appropriate have included them in the accounting statements. | YES | | disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant. |

This annual governance statement is approved by the body and recorded as minute reference

x **STEPHEN CLARKE**

x dated **02/04/12**

Signed by:

Chair **STEPHEN CLARKE** x

dated **02/04/12** x

Signed by:

Clerk **STEPHEN CLARKE** x

dated **02/04/12** x

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

BASINSTOKE CANAL

Annual Governance Statement

1. The accounts are prepared in the same way as all Hampshire County Council (HCC) accounts in accordance with the Code of Practice. HCC has been rated as “excellent” by the Audit Commission.
2. The HCC financial systems and procedures ensure segregation of duties, financial limits of responsibility. This, together with audits, facilitates the prevention of fraud as well as its detection.
3. The officers are kept informed of changes in the law and regulations (through a variety of groups and forums) which could have an effect on the running of the Canal or its finances. The Canal has not acted outside its legal powers.
4. A “Notice of Appointment of Date for the Exercise of Electors’ Rights” is displayed in the Canal Visitor Centre in June each year, inviting anyone to arrange a time to inspect the accounts between specific dates (usually 20 working days).
5. The Canal management team discuss and assess all risks at their regular meetings, and decide upon a course of action. The Canal is covered by HCC’s self-insurance scheme. The Canal also benefits from regular advice visits and inspections by the Culture, Communities and Business Services (CCBS) Risk & Safety team. Financial risk is covered by the CCBS & ETE Culture, Communities and Business Services and Economy, Transport & Environment Devolved Finance Unit (DFU) and by the HCC Audit Services Sections systems audits.
6. The Canal’s finances are conducted by the Canal staff. The CCBS DFU continually oversee the financial systems and procedures and ensure that the Financial Rules and Regulations are in place and adhered to. The HCC Audit Service section conduct systems audits to ensure appropriate internal controls are in place and complied with.
7. The Canal staff have responded to all matters brought to their attention via internal and external audits.
8. The annual financial accounts take into account everything relating to each financial year regardless of when the activity took place.

Section 1 – Accounting statements for:

Enter name of reporting body here:

BASINGSTOKE CANAL
JOINT MANAGEMENT COMMITTEE

| | Year ending | | Notes and guidance |
|--|--------------------|--------------------|--|
| | 31 March 2011 £ | 31 March 2012 £ | |
| 1 Balances brought forward | 48,719 | 53,643 | Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year. |
| 2 (+) Income from local taxation and/or levy | NIL | NIL | Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body. |
| 3 (+) Total other receipts | 714,938 | 678,791 | Total income or receipts as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here. |
| 4 (-) Staff costs | 525,122 | 492,619 | Total expenditure or payments made to and on behalf of all body 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 body's borrowings (if any). |
| 6 (-) All other payments | 184,892 | 143,388 | 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 | 53,643 | 96,427 | Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6) |
| 8 Total cash and short term investments | 53,643 | 96,427 | 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 and long term assets | NIL | NIL | The recorded book value at 31 March of all fixed assets owned by the body and any other long term assets e.g. loans to third parties and any long-term investments. |
| 10 Total borrowings | NIL | NIL | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |

I certify that for the year ended 31 March 2012 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

x [Signature]

x Date [Date]

I confirm that these accounting statements were approved by the body on:

[Signature] x

and recorded as minute reference:

[Signature] x

Signed by Chair of meeting approving these accounting statements:

[Signature] x

Date [Date] x

2. Section 100 D – Local Government Act 1972 – background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report. NB this list excluded:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE

FILE

None

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