

Local Councils, Internal Drainage Boards and other Smaller Authorities in England

Annual return for the year ended 31 March 2016

Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. Smaller authorities must approve Section 1 before Section 2.
- Section 3 is completed by the external auditor.

In addition, the **internal audit report** is completed by the smaller authority's internal audit provider.

Each smaller authority must approve Sections 1 and 2 of this annual return no later than 30 June 2016.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2016, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

Your external auditor will ask for any additional documents needed for their work. Unless requested, do not send any original financial records to the external auditor.

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication or public display of Sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2016.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of smaller authority here:

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.	Yes	No	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
		NA	

This annual governance statement is approved by this smaller authority and recorded as minute reference:

dated HA 31-05-2016

Signed by:

Chair XXXXXXXXXXXXXXXXXXXX

dated 31-05-2016

Signed by:

Clerk XXXXXXXXXXXXXXXXXXXX

dated 31-05-2016

*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:

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.			
1. Balances brought forward	28161	29447	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	6445	6445	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	2504	2798	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	2724	2817	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	—	—	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	4939	5174	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	29447	30699	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	29447	30699	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	6492	7200	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	—	—	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.
		N/A	

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

XXXXXXXXXXXXXXXXXXXX

Date 31-05-16

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

30/05/2016

and recorded as minute reference:

HA

Signed by Chair of the meeting approving these accounting statements.

XXXXXXXXXXXXXXXXXXXX

Date 31/5/16.

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:

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).

(continue on a separate sheet if required)

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

External auditor name

Date

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)

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/A
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			N/A

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit

GEOFF BRADLEY CMTIA

Signature of person who carried out the internal audit

XXXXXXXXXXXXXXXXXXXX

Date

10/05/16

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Internal Audit Report

Whittington Parish Council

Final Internal Audit 2015/16

Introduction

An interim audit has been carried out to provide an assurance that the Council maintains:

- Proper accounting records
- Sound systems of internal control

In providing this assurance I have referred to the Guidance on Internal Audit as detailed in the Governance & Accountability for Local Councils (practitioner's guide 2010) & used a detailed model test schedule which has been reviewed against the list of suggested controls supplied with my letter of appointment.

Opinion

I have carried an interim internal audit and examined some of the financial and other records and carried out compliance testing to confirm that:

- Financial records have been correctly maintained
- The overall system of internal control is adequate

Recommendations included in the Action Plan, if implemented, will improve the overall system of control. From testing carried out and, with the opinion reached, I have been able to complete Section 4 of the Annual Return for the year ended 31 March 2016.

I would like to thank Carol Chambers for her assistance during the audit.

G Bradley CMIIA
Appointed Internal Auditor
10th May 2016

Test Schedule

Control	Compliance	Areas for Improvement	Recommendation
Financial Regulations are: <ul style="list-style-type: none"> • Adopted • Observed • Reviewed 	Yes	None	
Financial records are: <ul style="list-style-type: none"> • Correctly maintained • Regularly balanced • Independently reviewed 	Yes	None	
Bank reconciliation's are: <ul style="list-style-type: none"> • Regularly carried out • Subject to independent review 	Yes	None	
Payments are: <ul style="list-style-type: none"> • Independently reviewed and authorised 	Partial	The Responsible Finance Officer is now making all payments via the on line banking account and payments are reported retrospectively to members. Unlike the cheque payment system where cheques are signed by signatories prior to payment, the current system is lacks some internal check and does not fully comply with Financial Regulations e.g. 6.15	R1
The accounts are: <ul style="list-style-type: none"> • Correctly prepared • Consistent with the cash book 	Yes	None	

<p>VAT is:</p> <ul style="list-style-type: none"> • Correctly recorded • Promptly reclaimed 	Yes	<p>One invoice (No 6) had no Vat shown in the cash book and was referred to the RFO for adjustment</p>	
<p>S137 expenditure is correctly identified and within statutory limits</p>	Partial	<p>Expenditure falling into this category should be identified and the calculation performed to ensure that statutory limits are not exceeded.</p>	R3
<p>Risks are:</p> <ul style="list-style-type: none"> • Identified • Recorded • Reviewed • Adequately insured 	Partial	<p>It is likely that the Council will benefit from s106 funding and as a result may embark on significant projects. Prior to the commencement of projects it would be good practice to carry out a risk assessment. This will help to determine what risks such projects could pose to the council and to consider appropriate controls to put in place. Whilst it is accepted that any project may be externally managed the council must still ensure that it remains in control and that Financial Regulations and good practice are observed to maintain transparency in the process.</p>	R4
<p>Budget preparation & monitoring is effective</p>	Yes	None	
<p>The precept is approved and payment received</p>	Yes	None	
<p>Expected income is received and fees and charges are reviewed</p>	Yes	None	

Salaries are correctly paid & PAYE deductions made	Yes	None	
Assets are: <ul style="list-style-type: none"> • Identified • Recorded • Reviewed & revalued • 	Yes	None	
Council minutes are: <ul style="list-style-type: none"> • Sequentially numbered • Formally signed 	Yes	None	
Health & Safety procedures are in place and subject to review	Yes	None	

Action Plan

	Weakness	Recommendation	Responsible Officer	Implementation date
R1	Potential lack of internal check in the payment process	Review the current payment process in conjunction with the Financial Regulations and determine whether additional controls are needed e.g. independent authorisation of payments	Members of the Council & Responsible Finance Officer (RFO)	By 30 June 2016
R2	S137 expenditure not separately shown and available budget not calculated	Expenditure falling within this category should be identified and within statutory limits	RFO	By 30 June 2016
R3	Potential for the Council to lose control of s106 projects	Prior to the commencement of projects it would be good practice to carry out a risk assessment. This will help to determine what risks such projects could pose to the council and to consider appropriate controls to put in place.	Members of the Council & Responsible Finance Officer & RFO	30 September 2016

Whittington Parish Council

NOTICE OF DATE OF COMMENCEMENT OF PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

The Accounts and Audit Regulations 2015 (SI 2015 No.234)
The Local Audit and Accountability Act 2014

NOTICE	NOTES
<p>1. Date of announcement <u>6th June 2016</u> (a)</p> <p>2. Sections 26 and 27 of the Local Audit and Accountability Act 2014 provide for:</p> <ul style="list-style-type: none"> Any person interested has the opportunity to inspect and make copies of the Annual Return and all books, deeds, contracts, bills, vouchers and receipts etc. relating to them. For the year ended 31 March 2016 these documents will be available on reasonable notice on application to the person in paragraph 3 below. Local Government Electors and their representatives have rights to: <ul style="list-style-type: none"> question the auditor about the accounts: and object to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Smaller Authority. <p>The auditor can be contacted at the address in paragraph 5 below for this purpose.</p> <p>3. Person to which you can apply to inspect the accounts (b)</p> <p>Name: <u>CAROL CHAMBERS</u></p> <p>Position: <u>Parish Clerk</u></p> <p>Address: <u>1 Crookbarrow Cottage Whittington</u></p> <p>Tel no: <u>01905 358170</u></p> <p>Email: <u>Whittingtonpc@hive.co.uk</u></p> <p>4. Any rights of inspection, objection, and questioning of the auditor may only be exercised within a single period of 30 <u>working</u> days:</p> <p>commencing on (c) <u>10th June</u> 2016</p> <p>and ending on (d) <u>15th July</u> 2016</p> <p>5. Your appointed auditor is:</p> <p>Barrie Morris Grant Thornton UK LLP Hartwell House 55 - 61 Victoria Street Bristol BS1 6FT Tel: 0117 305 7600</p> <p>For more detailed guidance on electors' rights and the special powers of auditors, copies of the publication Council Accounts - A Guide to Your Rights are available from the National Audit Office website.</p>	<p>(a) Insert date of placing of this notice</p> <p>Sections 26 and 27 of the Local Audit and Accountability Act 2014 must be published with this Notice</p> <p>(b) Insert name, position, address and contact details such as telephone and email of the Clerk or other person to which any person may apply to inspect the accounts, and the details of the manner in which notice should be given of an intention to inspect the accounting records and other documents</p> <p>(c) Insert date at least 1 working day after the Date of announcement in paragraph 1 above and between 3 June 2016 and 1 July 2016.</p> <p>(d) The inspection period between (c) and (d) must be 30 consecutive working days and must include the first 10 working days of July. Exclude weekends.</p>

Whittington Parish Council
Bank Reconciliation
as at 31 March 2016

Balance as per Statement	31.03.15		Current a/c	£7,816.26
Balance as per Statement	31.03.15		Deposit a/c	£3,630.87
Balance as per Statement	31.03.15		Money Market	£18,000.00
Total				£29,447.13
Plus Receipts				
		April 2015-March 2016		£9,148.08
Deposit a/c		Interest		£92.89
Money Manager a/c		Interest		£2.58
Total Receipts				£9,243.55
Less Payments		April 2015-March 2016		£7,991.76
				£7,991.76
			Balance	£30,698.92
Balance as per Statement	31.03.16		Current a/c	£9,065.47
Balance as per Statement	31.03.16		Deposit a/c	£3,633.45
Balance as per Statement	31.03.16		Money Market	£18,000.00
				£30,698.92