



ANNUAL RETURN 2014/15

TOWN COUNCIL MEETING

REPORT 52/15

8 JUNE 2015

The purpose of this report is to seek the Town Council's adoption of the previously circulated Annual Return for the financial year 2014/15 and to authorise the Mayor to sign it accordingly.

No. DETAIL

1) BACKGROUND

- a) The Town Council is required to submit an Annual Return for the financial year 2014-15 to its External Auditors, BDO LLP by 6 July 2015 which contains the following:
 - Section 1: Accounting Statements for the year
 - Section 2: An annual governance statement
 - Section 4: An annual internal audit report.
 - b) Section 3 is the External Auditor Certificate and opinion that is completed by the appointed Auditor.
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2) ANNUAL RETURN

- a) A copy of the completed Annual Return for submission is included in the papers for this meeting.
 - b) The figures in Section 1 have been approved by the Town Council's Internal Auditor and signed by me accordingly.
 - c) I have indicated that all the governance requirements listed in Section 2 have been complied with and the Town Council is requested to authorise the Mayor to sign off that Section and approve the statement by resolution.
 - d) The Internal Auditor has indicated his satisfaction with the Town Council's accounting and book-keeping practices in Section 4 – as confirmed in his Internal Auditor's report received by the Town Council's April meeting – and he has signed Section 4 accordingly.
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3) RECOMMENDATION

The Town Council is recommended to resolve that:

the Town Council approves the Annual Governance Statement set out in Section 2 of the Annual Return, authorises its Mayor to sign Section 2 accordingly and asks its Town Clerk to submit the completed return together with the required additional papers identified in section 4 of this Report in advance of the 6 July 2015 deadline.

4) ADDITIONAL PAPERS

- a) The routine additional papers required are identified on page 6 of the Annual Return:
 - An explanation of any variances between 2013/14 and 2014/15 of greater than 10%.
 - A copy of the Bank Reconciliation at 31 March 2015.
 - b) Additional information required as a consequence of moving into the £200,000 plus annual turnover category:
 - Evidence that the two conditions for use of the General Power of Competency have been met.
 - A copy of the resolution passed to be able to use this power.
 - c) Completion of an Intermediate review questionnaire required as a consequence of moving into the £200,000 plus annual turnover category, a copy of which is attached to this Report.
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Local Councils in England

Annual return for the financial year ended 31 March 2015

Local councils in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their activities at the end of each financial year. In this annual return the term 'local council' includes a Parish Meeting, a Parish Council and a Town Council.

The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the local council.
- Section 3 is completed by the external auditor appointed by the Audit Commission.
- Section 4 is completed by the local council's internal audit provider.

Each council must approve this annual return no later than 30 June 2015.

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 sections highlighted in green. Do not leave any green box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2015, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

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

Once the auditor has completed their work, certified annual returns will be returned to the local council 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 2015.

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' Guide for local councils that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk

Section 1 – Accounting statements 2014/15 for

Enter name of reporting body here:

WRECHINCHAM

Council/Meeting

Readers should note that throughout this annual return references to a 'local council' or 'council' also relate to a parish meeting.

	Year ending		Notes and guidance
	31 March 2014 £	31 March 2015 £	
1 Balances brought forward	30,770	58,798	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 (+) Annual precept	148,676	182,299	Total amount of precept received or receivable in the year. Excludes any grants received.
3 (+) Total other receipts	31,905	365,984	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	99,046	125,160	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	1,990	6,743	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) All other payments	51,517	374,896	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	58,798	100,282	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	58,798	158,398	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 other long term investments and assets	13,168	19,469	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the council as at 31 March
10 Total borrowings	23,710	170,413	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Disclosure note 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 2015 the accounting statements in this annual return present fairly the financial position of the council and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Deeey Bonlett

Date

I confirm that these accounting statements were approved by the council on this date:

8 JUNE 2015

and recorded as minute reference:

Signed by Chair of the meeting approving these accounting statements.

SIGNATURE REQUIRED

Date 8 JUNE 2015

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of:

VENTNOR TOWN COUNCIL

Council/Meeting

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 2015, that:

	Agreed –		'Yes' means that the council:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		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.	✓		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 the council 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 has given all persons interested the opportunity to inspect and ask questions about the council's accounts.
5 We carried out an assessment of the risks facing the council 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 council 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 the council.
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 the council 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 Trust funds (including charitable) – in our capacity as the sole managing trustee we discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	yes	no NA	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 the council and recorded as minute reference

SIGNED

dated 8 JUNE 2015

Signed by:

Chair

dated 8 JUNE 2015

Signed by:

Clerk

dated 8 JUNE 2015

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

Section 4 – Annual internal audit report 2014/15 to

Council/Meeting

The council'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 2015.

Internal audit has been carried out in accordance with the council'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 the council.

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 The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual precept 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.	✓		
G Salaries to employees and allowances to members were paid in accordance with council 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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	✓		
K Trust funds (including charitable) The council met its responsibilities as a trustee.			✓

For any other risk areas identified by the council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit

Signature of person who carried out the internal audit

Date

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).

Intermediate review questionnaire for the year ended 31 March 2015

Income or expenditure greater than £200,000, mandatory completion

The intermediate review is undertaken to obtain evidence, where additional risk is identified relating to those, with higher levels of activity or expenditure or those selected as part of a 5% sample of basic reviews.

Ventnor Town Council have received the intermediate review questionnaire because Ventnor Town Council's income or expenditure was greater than £200,000 last year.

If Ventnor Town Council's income or expenditure for the year ended 31 March 2015 is greater than £200,000 this form must be completed as it forms part of the review. Please complete the form, provide the evidence requested and return it with your annual return and supporting information by the submission date.

If Ventnor Town Council's income or expenditure is no longer greater than £200,000 you are not required to complete this form but you must inform us so that we can update our records.

IMPORTANT:

The intermediate review questionnaire ("IRQ") is a standard document that forms part of the review. The annual review letter clearly states that completion of this form is required. If you do not complete and return the "IRQ" with the annual return we will not be able to complete the review. The auditor will request completion of the "IRQ" and a charge will be added to the standard fee on completion of the review.

If the form is completed incorrectly and/or any supporting documentation is not included without stating a reason, the auditor will request this information again and a charge will be added to the standard fee on completion of the review.

All information supplied must relate to the year ended 31 March 2015 unless stated otherwise.

Where copies of minutes are requested please supply us with copies of the signed legal minutes as maintained in accordance with the Local Government Act 1972.

Q01 To demonstrate the bank reconciliation agrees to the bank statement(s) the following documents are included as evidence

- a) a copy of the bank statement(s) for all accounts held showing the balance at 31 March 2015;
- b) a copy of the statement or certificate showing the value of short term investments (if any).

Yes / No _____

Yes / No _____

If No, please state why a copy of the bank statement(s) and a statement or certificate showing the value of investments are not enclosed.

Q02 To demonstrate the matter(s) raised in the previous external audit were considered and appropriate action taken the following are included as evidence;

- a) a copy of the minute recording the acceptance of our external audit report for the year ended 31 March 2014;
- b) a copy of the agreed action plan to carry out the recommendations of the external audit

Yes / No _____

Yes / No _____

If No, please state why a copy of the minute and/or action plan are not enclosed.

Q03 To demonstrate Section 1 and Section 2 of the Annual Return were approved at a meeting of members as a whole, the minute(s) recording this approval is included as evidence.

Yes / No _____

If No, please state why a copy of the minute(s) approving Section 1 and Section 2 of the Annual Return is not enclosed.

Q04 To demonstrate the financial monitoring is undertaken and actual income/expenditure is monitored against the budget during the year, the following documents have been included as evidence (you may supply copies of whichever month's minutes you wish);

- a) a copy of the budget used to determine the 2014/15 precept;
- b) a copy of the budget used to determine the 2015/16 precept;
- c) a copy of the minutes recording the acceptance of the 2015/16 precept;
- d) copies of 2 sets of signed legal minutes taken during the year to 31 March 2015 which demonstrates a review of the budget has taken place.

Yes / No _____

Yes / No _____

Yes / No _____

Yes / No _____

If No, please state why the above information has not been enclosed.

I confirm that I have completed this form to the best of my knowledge and belief, with respect to the accounts for the year ended 31 March 2015.

Signed Date

Name of Council/Meeting