

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

## Annual return for the year ended 31 March 2016

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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](http://www.nalc.gov.uk) or from [www.slcc.co.uk](http://www.slcc.co.uk) or from [www.ada.org.uk](http://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:

ABERFORD & DISTRICT 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.	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:

16-107 a (i)  
dated 17 May 2016

Signed by:

Chair

D. Hanson

dated

17/05/2016

Signed by:

Clerk

Shm

dated

17/05/2016

\*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:

ABERFORD & DISTRICT PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	87,088	46,941	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. 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	12,500	13,500	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	9,704	16,255	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	3,143	4,276	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	0	0	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	59,208	35,445	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	46,941	36,975	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	46,941	36,975	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	59,719	54,439	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	0	0	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 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

R Reed

Date

17/05/2016

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

17 May 2016

and recorded as minute reference:

16-107a (iii)

Signed by Chair of the meeting approving these accounting statements.

D. Henson

Date

17/05/2016

## 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:

### 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](http://www.nao.org.uk))



# Annual internal audit report 2015/16 to

Enter name of  
smaller authority here:

ABERFORD & DISTRICT PARISH COUNCIL

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.		✓	NO PETTY CASH A/C
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)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

MRS. P. HARRISON

Signature of person who carried out the internal audit

*[Signature]*

Date

16/05/2016

\*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).

## Guidance notes on completing the 2015/16 annual return

1. You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide\* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs.  
**Smaller authorities must approve the annual governance statement before approving the accounts.**
3. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness before sending it to the external auditor.
4. Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Chair.
5. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (**Section 2 on page 3**). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide\*.
6. Explain fully significant variances in the accounting statements on **page 3**. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide\* to assist you.
7. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge. **From 2016 onwards, you must inform the auditor of the date set for the commencement of the period for the exercise of public rights.**
8. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2015) equals the balance brought forward in the current year (Box 1 of 2016).
9. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	✓
	All additional information requested, <b>including the dates set for the period for the exercise of public rights</b> , has been provided for the external auditor?	✓
Section 1	For any statement to which the response is 'no', an explanation is provided?	n/a
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2016 agreed to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Sections 1 and 2	Trust funds – all disclosures made if a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	n/a
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	✓

\*Note: Practitioners' Guides are available from your local NALC, SLCC or ADA representatives or from [www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk) or [www.ada.org.uk](http://www.ada.org.uk).

**Year End Bank Reconciliation**  
**Aberford and District Parish Council**  
**Financial year ending: 31 March 2016**

Prepared by Julie Sou, Clerk to the Parish Council  
 Approved by the Parish Council

Date: 12 April 2016  
 Date: 17 May 2016

<b>Balance per bank statements as at 31 March 2016</b>		£	£
Current Account		1,453.75	
Revenue Reserve		9,862.25	
Capital Reserve		12,702.39	
Asset Renewals Fund		13,221.61	37,240.00
Less uncleared cheques at 31 March 2016:			
	100682	-20.00	
	100686	-245.00	-265.00
<b>Net bank balances as at 31 March 2016</b>			<b>36,975.00</b>

**The net balances reconcile to the Cash Book (receipts and payments account) for the year as follows:**

**CASH BOOK**

Opening balance at 1 April 2015	46,940.89
Add receipts for the year:	29,754.94
Less payments for the year	-39,720.83
<b>Closing balance per cash book as at 31 March 2016</b>	<b>36,975.00</b>

# Explanation of Variances

## Aberford & District Parish Council

Section 1	2014/15 £	2015/16 £	Variance £	Variance %	Detailed explanation of variances >15% (unless <£200) (with amounts £)
<b>Box 2</b> <i>Precept</i>	12,500	13,500	1,000	8.0%	n/a
<b>Box 3</b> <i>Other receipts</i>	9,704	16,255	6,551	67.5%	Please see attached
<b>Box 4</b> <i>Staff costs</i>	3,143	4,276	1,133	36.0%	Backdated salary review paid in 2015-16. Holiday pay now paid.
<b>Box 5</b> <i>Loan interest/ capital repayments</i>	0	0	0	0.0%	n/a
<b>Box 6</b> <i>Other payments</i>	59,208	35,445	-23,763	-40.1%	Please see attached
<b>Box 9</b> <i>Fixed assets &amp; long term assets</i>	59,719	54,439	-5,280	-8.8%	n/a
<b>Box 10</b> <i>Borrowings</i>	0	0	0	0.0%	n/a
<b>Explanation for 'high' reserves</b>	Box 7 is more than twice Box 2 because £12,687 held in capital account is earmarked for capital projects. Other reserves are earmarked for future asset renewals and maintenance.				



# Aberford & District Parish Council: Explanation of Variances

## Box 3 Other Receipts

Description	Variance £	Explanation for variance
1 Council Tax Support Grant	-90.00	Reduced grant from Leeds City Council
2 Hanging basket sponsorship	175.00	Includes £150 advance payments for 2016-17
3 Leeds Festival	-80.00	Tickets refunded and re-sold in 2014-15
5 Bank interest	-27.38	Lower balances for 2015-16
6 VAT refund	2,890.00	VAT was not reclaimed in 2014-15 and was included in a claim made in 2015-16
9 Insurance pay-out	-5,349.23	One-off receipt 2014-15
10 NDP grant	7,928.00	New grant for 2015-16
11 Smaller Authorities Transparency Fund grant	1,139.72	New grant for 2015-16
12 Miscellaneous	-35.35	One-off receipts 2014-15
<b>Total</b>	<b>6,550.76</b>	

# Aberford & District Parish Council: Explanation of Variances

## Box 6 Other Payments

Description	Variance £	Explanation for variance
<u>Revenue Budget</u>		
1 Administration Costs	1.90	
2 Mileage	2.70	
3 PC Website	620.00	New website - to comply with Transparency Code
4 Venue hire (PC)	20.00	
5 Insurance policy	71.47	Cover for new assets 2014-15
6 Internal audit	0.00	
7 External audit	120.00	Increased fees
8 Training - Clerk	155.00	More training in 2015-16
9 Training - Councillors	368.50	New councillors and more training 2015-16
10 YLCA membership	6.00	
11 RAY membership	0.00	
12 SLCC membership	1.00	
13 Newsletters x 2	-10.00	
14 Maintenance	-934.33	
15 Maintenance contract: speed signs	484.75	Resumed in 2015-16 following repair to vandalised signs
16 Hanging baskets	0.00	
17 Leeds Fest ticket refund	-80.00	No refunds in 2015-16
18 Wreath Remembrance Day	20.00	Wreath donated in 2014-15
19 Christmas lights	12.00	
20 Christmas tree	60.00	Tree donated in 2014-15
21 Snow clearing	0.00	
22 Contribution to police vehicle	-101.64	No contribution made 2015-16
23 Contribution to Crime Prevention Panel	50.00	No contribution made 2014-15
24 VDS/NDP (inc venue hire)	-80.00	No venue hire costs 2015-16
25 Grants allocation	-1,000.00	Fewer applications 2015-16
26 Contingencies	-78.60	One-off payment 2014-15
<u>Projects/Reserves</u>		
27 NDP (inc £724.29 from Groundwork UK grant)	877.29	Ongoing NDP costs
28 NDP - Groundwork UK grant	7,203.71	Balance of grant returned 2015-16
29 Jubilee Field	-42,862.94	Capital project completed in 2014-15
30 Parish Paths	-676.00	New contractor with lower costs 2015-16; some paths were cut by the district council without charge
31 Renewals	0.00	
32 WW1 Centenary	-308.15	One-off payment 2014-15
33 Speed sign repairs	-5,349.23	One-off repairs required in 2014-15
34 Uninsured losses (speed signs)	1,643.58	Balance of uninsured repair costs paid in 2015-16
35 PC website	1,000.00	Website development 2015-16 - to comply with Transparency Code
36 Grant to village hall	15,000.00	One-off grant 2015-16
<b>TOTAL</b>	<b>-23,762.99</b>	