

Local Councils in England

Annual return for the year ended 31 March 2008

Local councils in England (Parish Meetings, Parish and Town Councils) with an annual turnover of £1 million or less must complete an annual return summarising their annual activities at the end of each financial year.

The annual return on the following pages is made up of four sections:

- **Sections 1 and 2** are to be completed by the person nominated by the council.
- **Section 3** will be completed by the external auditor.
- **Section 4** is to be completed by the council's internal audit provider.

The council must ensure this annual return is approved no later than 31 July 2008.

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

Please send the annual return, together with any additional information requested, to your appointed external auditor.

If required, your auditor will identify and ask for any documents needed for audit. Unless requested, please do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the council for publication or public display of sections 1, 2 and 3.

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

It should not be necessary for councils to contact the external auditor or the Audit Commission directly for guidance.

Section 1 – Statement of accounts

ENTER NAME HERE **THORNTON L&S DALLS PARISH** COUNCIL/MEETING

In completing the boxes below please explain any significant variances on a separate sheet and send this to the external auditor together with a copy of your bank reconciliation as at 31 March 2008.

	Year ending		Notes and guidance
	31 March 2007 £	31 March 2008 £	
1 Balances brought forward	13,615	13,327	Total balances and reserves at the beginning of the year as recorded in the council's financial records. Value must agree to Box 7 of previous year.
2 (+) Annual precept	11,440	12,584	Total amount of precept received in the year.
3 (+) Total other receipts	7,624	11,413	Total receipts or income as recorded in the cashbook less the precept. Includes support, discretionary and revenue grants.
4 (-) Staff costs	4,909	5,059	Total expenditure or payments made to and on behalf of all council employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses.
5 (-) Loan interest/capital repayments	—	—	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) Total other payments	14,443	14,924 ~~14,918~~	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	13,327	17,341 ~~17,347~~	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	13,327	17,341 ~~17,347~~	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	21,452	22,396	The recorded book value at 31 March of all fixed assets owned by the council and any other long term assets e.g. loans to third parties.
10 Total borrowings	NONE	NONE	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Trust funds disclosure note	NO	NO	The council acts as sole trustee for and is responsible for managing [a] trust fund[s]/assets. (Readers should note that the figures above do not include any trust transactions.)

I certify that the statement of accounts contained in this annual return presents fairly the financial position of the council and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2008.

Signed by Responsible Financial Officer

17/04/08 SIGNED

Date 06/05/2008

I confirm that these accounts were approved by the council and recorded as council minute reference 172 - AUDIT OF ACCOUNTS 07/08

Date 06/05/2008

Signed by Chair of meeting approving council's accounts

[Signature] SIGNED

Date 06/05/08

Section 2 – Annual governance statement

We acknowledge as the members of **THORNTON LE DALE PARISH** COUNCIL/MEETING our responsibility for ensuring that there is a sound system of internal control, including the preparation of the statement of accounts. We confirm, to the best of our knowledge and belief, with respect to the council's statement of accounts for the year ended 31 March 2008, that:

	Agreed – Yes or No*	'Yes' means that the council:
1 we have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	YKS	prepared its statement of accounts in the way prescribed by law.
2 we have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YKS	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 we have 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 which could have a significant financial effect on the ability of the council to conduct its business or on its finances.	YKS	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 have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YKS	has during the year given all persons interested the opportunity to inspect and ask questions about the council's accounts.
5 we have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YKS	considered the financial and other risks it faces and has dealt with them properly.
6 we have maintained throughout the year an adequate and effective system of internal audit of the council's accounting records and control systems and carried out a review of its effectiveness.	YKS	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the council and reviewed the impact of this work.
7 we have taken appropriate action on all matters raised in reports from internal and external audit.	YKS	has responded to matters brought to its attention by internal and external audit.
8 we have 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 statement of accounts.	YKS	disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.
9 Trust funds – in our capacity as the sole managing trustee we have discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	N/A	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 council minute reference

172 - AUDIT OF ACCOUNTS 07/08

dated **06/05/2008**

Signed on behalf of **THORNTON LE DALE PARISH**

COUNCIL/MEETING

Signed by: Chair **A. C. T.**

Date **06/05/2008**

Signed by: Clerk **MAY V**

Date **06/05/2008**

***Note:** Please provide explanations to the external auditor on a **separate sheet** for each 'No' response that has been given; and describe what action is being taken to address the weaknesses identified.

Section 3 – External auditor's certificate and opinion

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2008 of

THORNTON LE DALE PARISH

COUNCIL/MEETING

Respective responsibilities of the council and the auditor

The council is responsible for the preparation of the accounts in accordance with the requirements of the Accounts and Audit Regulations and for the preparation of an annual return which:

- summarises the council's accounting records for the year ended 31 March 2008; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor's report

(~~Except for the matters reported below~~)* on the basis of our review, in our opinion the information contained in the annual return is in accordance with the Audit Commission's requirements 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 council/meeting:

FIGURES IN SECTION 1 DID NOT AGREE TO BANK RECONCILIATION PROVIDED -
ANNUAL RETURN SENT BACK FOR AMENDMENT

(continue on a separate sheet if required)

External auditor's signature

Mazars LLP

External auditor's name

Mazars LLP

Date

22/8/2008

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

Section 4 – Annual internal audit report to

ENTER NAME HERE THORNTON LA DALLS PARISH 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 2008.

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, opposite, are the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the council.

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

Signature of person who carried out the internal audit Christine Baxter Date 8/05/08

***Note:** 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 2008 annual return

- 1 Please make sure that your annual return is complete (i.e. no empty green boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are approved by the council, properly initialled and an explanation for them is provided to the auditor. Annual returns containing unapproved and/or unexplained amendments will be returned unaudited.
- 2 Use the checklist provided below. Use a second pair of eyes, perhaps internal audit or the Chair, to review your annual return for completeness before sending it off to the auditor.
- 3 Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
- 4 Make sure that the copy of the bank reconciliation which you send to your auditor with the annual return covers **all** your bank accounts. If your council holds any investments, please note their value on the bank reconciliation. The auditor should be able to agree your bank reconciliation to Box 8 on the Statement of Accounts. **You must provide an explanation for any difference between Box 7 and Box 8.** More help on bank reconciliations is available in the *Practitioners' Guide**
- 5 Please **explain fully** significant variances in the statement of accounts. Do not just send in a copy of your detailed accounts instead of this explanation. The auditor wants to know that **you** understand the reasons for the change. Please include a complete analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guide** to assist you.
- 6 If the 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.
- 7 Please make sure that your statement of accounts adds up! Also please ensure that the balance carried forward from the previous year (Box 7 of 2007) equals the balance brought forward in the current year (Box 1 of 2008).
- 8 **Do not complete section 3.** This section is reserved for the external auditor who will complete it at the conclusion of their audit.
- 9 Use the *Practitioners' Guide** for guidance. This publication is regularly updated and contains everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines open should you wish to talk through any problem you may encounter.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All green boxes have been completed?	✓
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	✓
Section 1	Council approval confirmed by signature of Chair of meeting approving accounts?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2008 agreed to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓ N/A
Sections 1 and 2	Trust funds – all disclosures made if council is a sole managing trustee? NB: Do not send trust accounts unless requested.	✓ N/A
Section 2	For any statement to which the response is 'no', an explanation is provided?	✓ N/A
Section 4	All green boxes completed by internal audit and explanations provided?	✓

***Note:** *Governance and Accountability for Local Councils in England – A Practitioners' Guide 2008 edition*, is available from your local NALC and SLCC representatives.

BANK RECONCILIATION

Thornton le Dale Parish Council

Financial Year Ending 31/03/08

Prepared by Martin Blythe, Parish Clerk

Balance per bank statements as at 31/03/08

		£
Current Account		
Business Reserve Account		100.00
Post Office Investments		17,143.36
		104.00
		17,347.36
Less un-presented cheques		
	002393	6.00
		<u>17,341.36</u>
Cash Book		
Opening balance 1/04/07		
Plus receipts in the year		13,327.99
Less payments in the year		23,996.57
		(19,983.20)
		<u>17,341.36</u>

Year Ending 31/03/08

Salaries

Clerk	3,666.00		
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Clockwinder	218.64		
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C/Caretaker	1,174.42		<u>5,059.06</u>
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Assets

Contents of Hill Memorial Institute	5,694.20 + 1%	5,751.14	
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Cemetery Shed	9,915.77 + 6%	10,510.72	
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Contents of Cemetery Shed	5,842.11+ 5%	6,134.22	<u>22,396.08</u>
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Mr M Blythe
Thornton-le-Dale Parish Council
The Old Lodge
Botton's Lane
Maltongate
Thornton-Le-Dale
North Yorkshire
YO18 7RJ

Our ref THO-JZB23
Your ref
Direct line 02380 630778
Email local.councils@mazars.co.uk

24 June 2008

Dear Mr Blythe

Thorton-Le-Dale Parish Council - audit for the year ended 31 March 2008

I refer to your telephone conversation with Joseph Boba on 24th June 2008. Please could the following amendments be made to the Annual Return.

Section 1 – Statement of accounts

Please could the figure in box 6 be amended from £14,918 to £14,924 and box 8 amended from £17,347 to £17,341 in order to agree with your bank reconciliation. Also, please could box 7 be adjusted from £17,347 to £17,341 in order to agree with your cash book. Please ensure all amendments are initialled by yourself as the Responsible Financial Officer and the Chair.

If you have any questions, please do not hesitate to contact Joseph on the above number. We look forward to receiving the completed Annual Return in due course.

Yours sincerely



John Randall
Audit Manager

Mazars LLP - Regency House - 3 Grosvenor Square - Southampton - Hampshire - SO15 2BE
Tel: +44 (0)23 8023 2428 - Fax: +44 (0)23 8023 2579 - www.mazars.co.uk

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