

# Local Councils in England

## Annual return for the year ended 31 March 2009

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**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 30 June 2009.**

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.

More guidance on completing this annual return is available in the Practitioners' Guidance for local councils 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)

## Section 1 – Statement of accounts for

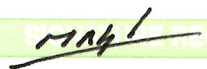
THORNTON NAME LS LODDALE IL OR PARISH RE COUNCIL

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 2009.

|                                                       | Year ending                 |                             | Notes and guidance                                                                                                                                                                      |
|-------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | 31 March 2008<br>£          | 31 March 2009<br>£          |                                                                                                                                                                                         |
| 1 Balances brought forward                            | 13,327                      | 17,341                      | 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                                  | 12,584                      | 19,962                      | Total amount of precept received in the year.                                                                                                                                           |
| 3 (+) Total other receipts                            | 11,413                      | 12,988                      | Total receipts or income as recorded in the cashbook less the precept. Includes support, discretionary and revenue grants.                                                              |
| 4 (-) Staff costs                                     | 5,059                       | 4,283                       | 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 borrowings (if any).                                                                                      |
| 6 (-) Total other payments                            | 14,924                      | 17,133                      | 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                        | 17,341                      | 28,875                      | 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               | 17,341<br><del>24,396</del> | 28,875                      | 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             | 22,396<br><del>22,396</del> | 16,032<br><del>16,032</del> | 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 and any long term investments.                  |
| 10 Total borrowings                                   | NONE                        | NONE                        | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).                                                                                        |
| 11 Trust funds (including charitable) disclosure note | YES NO NA                   | YES NO NA                   | The council acts as sole trustee for and is responsible for managing trust funds or 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/meeting and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2009.

Signed by Responsible Financial Officer

 REQUIRED

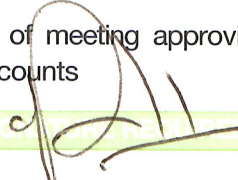
Date 05/05/09

I confirm that these accounts were approved by the council/meeting and recorded as minute reference

10 – 17/11/09 OF ACCOUNTS 08/09

Date 05/05/09

Signed by Chair of meeting approving this statement of accounts

 REQUIRED

Date 05/05/09

## Section 2 – Annual governance statement

We acknowledge as the members of **ENTHORNTON LANE DALE PARISH COUNCIL** 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 statement of accounts for the year ended 31 March 2009, that:

|                                                                                                                                                                                                                                                                                                 | Agreed –<br>Yes or No* | 'Yes'<br>means that the council/meeting:                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                                                            | YES                    | 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 <b>and</b> reviewed its effectiveness.                                                                                                                      | YES                    | 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. | 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 have 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 council's accounts.                                                                           |
| 5 we have carried out an assessment of the risks facing the council <b>and</b> taken 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 have maintained throughout the year an adequate and effective system of internal audit of the council's accounting records and control systems <b>and</b> carried out a review of its effectiveness.                                                                                       | YES                    | 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.                                                                                                                                                                                           | YES                    | 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.                                  | YES                    | 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 have discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting <b>and</b> , if required, independent examination or audit.                   | YES<br>N/A<br>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/meeting and recorded as minute reference

**10 – AUDIT OF MINUTE ACCOUNTS 08/09** dated **05/05/09**

Signed on behalf of **ENTHORNTON LANE DALE MEET PARISH COUNCIL**

Signed by: Chair **SIGNATURE REQUIRED** Date **05/05/09**

Signed by: Clerk **SIGNATURE REQUIRED** Date **05/05/09**

**\*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 2009 of

|                                |                             |
|--------------------------------|-----------------------------|
| <i>THORNTON LE DALE PARISH</i> | COUNCIL/ <del>MEETING</del> |
|--------------------------------|-----------------------------|

### 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 2009; 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~~:

*PLEASE ENSURE THAT ANY AMENDMENTS MADE IN SECTION 1 OF THE ANNUAL RETURN ARE INITIALED BY THE RFO / CHAIRMAN.*

(continue on a separate sheet if required)

External auditor’s signature

*[Signature]*

External auditor’s name

**Mazars LLP, Southampton, SO15 2BE**

Date

*19/8/09*

**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 THORNTON COUNCIL AS DALLS PARISH COUNCIL

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 2009.

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.

| Internal control objective                                                                                                                                                                                                                                                       | 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 Trust funds (including charitable) The council has met its responsibilities as a trustee.                                                                                                                                                                                      | YES/NO <input checked="" type="radio"/>                               |

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 20/05/2009

**\*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 2009 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 and may incur additional costs.
- 2 Use the checklist provided below. Use a second pair of eyes, perhaps a member 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 short-term 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 financial statements 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 2008) equals the balance brought forward in the current year (Box 1 of 2009).
- 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?                                                                                                 | YES <input checked="" type="checkbox"/> NO            |
|                                                                            | All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.       | YES <input checked="" type="checkbox"/> NO            |
| Section 1                                                                  | Council approval confirmed by signature of Chair of meeting approving accounts?                                                      | YES <input checked="" type="checkbox"/> NO            |
|                                                                            | An explanation of significant variations from last year to this year is provided?                                                    | YES <input checked="" type="checkbox"/> NO            |
|                                                                            | Bank reconciliation as at 31 March 2009 agreed to Box 8?                                                                             | YES <input checked="" type="checkbox"/> NO            |
|                                                                            | An explanation of any difference between Box 7 and Box 8 is provided?                                                                | YES <input checked="" type="checkbox"/> NO <i>N/A</i> |
| Sections 1 and 2                                                           | Trust funds – all disclosures made if council is a sole managing trustee?<br><b>NB: Do not send trust accounts unless requested.</b> | YES <input checked="" type="checkbox"/> NO <i>N/A</i> |
| Section 2                                                                  | For any statement to which the response is 'no', an explanation is provided?                                                         | YES <input checked="" type="checkbox"/> NO <i>N/A</i> |
| Section 4                                                                  | All green boxes completed by internal audit and explanations provided?                                                               | YES <input checked="" type="checkbox"/> NO            |

**\*Note:** *Governance and Accountability for Local Councils in England – A Practitioners' Guide 2008 edition*, is available from your local NALC and SLCC representatives or from [www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk)

# Explanation of variances – proforma

Name of Council: THORNTON LN DALL PARISH COUNCIL

The NALC/SLCC "Practitioners' Guide 2008" provides guidance on explaining significant variances. This is not just a matter for the audit, as it is good practice for the RFO to provide the council with explanations for differences between one year's actual expenditure/income and the next, and between budgeted and actual expenditure/income in a year, as part of the normal budgetary control arrangements and when setting the precept.

Please explain any variances of more than 15% between the totals for individual boxes. We do not require an explanation for variances of less than £200, however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged - for example, where there was a major one-off project in 2007/08 (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in 2008/09 (e.g. purchase of playground equipment of £28,000). In such cases it would be helpful to provide an explanation of movements within each box. We would also ask you to explain any change where there is a movement to or from zero.

| Section 1                                      | 2007/08<br>£ | 2008/09<br>£ | Variance<br>(+/-) £ | Detailed explanation of variance (with amounts<br>£)                                                                                                                                                                                                       |
|------------------------------------------------|--------------|--------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Box 2<br>Precept                               | 12,584       | 19,962       | + 7,378             | DURING PREPARATION OF THE PARISH PLAN, RESIDENTS EXPRESSED A WISH TO IMPROVE THE OVERALL APPEARANCE OF THE VILLAGE. THE PRECEPT WAS INCREASED TO COVER THE COST OF INTRODUCING A VILLAGE CARETAKER SERVICE AND MAINTAINING THE FREQUENCY OF GRASS CUTTING. |
| Box 3<br>Other<br>income                       | 11,413       | 12,988       | + 1,575             | + £1915 NORTH YORK MOORS NATIONAL PARK CONTRIBUTIONS TOWARDS COST OF INTRODUCING VILLAGE CARETAKER SERVICE.                                                                                                                                                |
| Box 4<br>Staff costs                           | 5,059        | 4,283        | - 776               | THE CURRENTLY CARETAKER RETIRED DURING THE YEAR. THIS SERVICE IS NOW PROVIDED BY AN EXTERNAL CONTRACTOR.                                                                                                                                                   |
| Box 5<br>Loan<br>interest/<br>capital          |              |              |                     |                                                                                                                                                                                                                                                            |
| Box 6<br>Other<br>payments                     | 14,924       | 17,133       | + 2,209             | VILLAGE CARETAKING SERVICE PART YEAR £1975 GRASS CUTTING CONTRACT PART YEAR £1,200                                                                                                                                                                         |
| Box 7<br>Balances<br>carried<br>forward        | 17,341       | 28,875       | + 11,534            | (If part of the year-end balances are earmarked for specific purposes rather than being a general reserve, please provide a breakdown) INCREASE IN PRECEPT TO COVER COST OF MAINTAINING IMPROVEMENTS TO THE APPEARANCE OF THE VILLAGE.                     |
| Box 9<br>Fixed assets<br>& long term<br>assets | 22,346       | 16,032       | - 6,314             | FOLOWING INVESTIGATION AND REVIEW OF LOCAL ADVICE, IT WAS COME TO LIGHT THAT ASSETS ASSOCIATED WITH THE HILL INSTITUTE IN THE VILLAGE ARE NOT OWNED BY THE PARISH COUNCIL BUT RATHER THE TRUSTEES OF THE HILL INSTITUTE.                                   |
| Box 10<br>Total<br>borrowings                  |              |              |                     |                                                                                                                                                                                                                                                            |

## BANK RECONCILIATION

### Thornton le Dale Parish Council

### Financial Year Ending 31/03/09

Prepared by Martin Blythe, Parish Clerk

Balance per bank statements as at 31/03/09

|                           |      | £                       |
|---------------------------|------|-------------------------|
| Current Account           |      | 100.00                  |
| Business Reserve Account  |      | 28,670.83               |
| Post Office Investments   |      | 104.00                  |
|                           |      | <b>28,874.83</b>        |
| Less un-presented cheques | None | 0.00                    |
|                           |      | <b>28,874.83</b>        |
| Cash Book                 |      |                         |
| Opening balance 1/04/08   |      | 17,341.36               |
| Plus receipts in the year |      | 32,949.92               |
| Less payments in the year |      | (21,416.45)             |
|                           |      | <b><u>28,874.83</u></b> |

Year Ending 31/03/09

Salaries

Clerk 3,754.92

Clockwinder 225.24

C/Caretaker 302.41 4,282.57

Assets

Contents of Hill Memorial Institute (5,751.14+ 1%) 0  
Ownership vested in the Trustees of the Hill Memorial Institute

Cemetery Shed 10,510.72+ 0% 10,510.72

Contents of Cemetery Shed 6,134.22+ <sup>10</sup>0% 6,134.22 16,664.94  
5520.80 16031.52