

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:

STURMER PARISH COUNCIL

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 £	
			Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1 Balances brought forward	6488	8895	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	4700	4700	Total amount of precept received or receivable in the year. Excludes any grants received.
3 (+) Total other receipts	16907	4526	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	600	600	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) All other payments	16,600	9,395	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	8895	8126	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	8858	8090	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	45,000	45,000	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	NIL	NIL	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

R J [Signature]

Date 19/05/2015

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

19/05/2015

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair of the meeting approving these accounting statements.

[Signature]

Date 19/05/2015

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of:

ENTER LOCAL COUNCIL NAME HERE

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

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dated 19/05/2015

Signed by:

Chair

[Signature]

dated

19/05/2015

Signed by:

Clerk

[Signature]

dated

19/05/2015

*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 3 – External auditor certificate and report 2014/15

Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Audit Commission Act 1998 as transitionally saved, for the year ended 31 March 2015 in respect of:

ENTER LOCAL COUNCIL NAME **STURMER ARISH** Council/~~Meeting~~

Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2015; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to review the annual return in accordance with guidance issued by the Audit Commission (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 (ACEX0241)

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.

There is an unexplained £36 discrepancy between Boxes 7 and 8 on the Annual Return (£37 on the prior year figures). As a result, we do not have confidence in the figures in Section 1. The supporting documentation provided for audit indicates that the Council's accounts are prepared on a receipts and payments basis, as we would expect, therefore Boxes 7 and 8 should be equal. This was also raised as an 'except for' matter in the prior year external auditor report but remains unresolved. Please ensure this matter is addressed for the 2015/16 Annual Return.

Other matters not affecting our opinion which we draw to the attention of the Council:

The completed Annual Return and all relevant supporting information were not submitted for review by the date requested.

Information from the Body indicates fixed assets were purchased in the year (play equipment and picnic tables) but the cost of these assets has not been included in Section 1 Box 9. Please note that proper practice, as specified in the Practitioners' Guide, requires that assets are recorded at their original cost and no adjustment is required until disposal. Where original cost is not known a proxy such as insurance value may be used but this value should remain constant throughout the period of ownership and not be revised to reflect current values. Please ensure the asset register is reviewed and updated and the revised cost, or approximation thereto, is reported in the 2015/16 Annual Return.

The Annual Return was not fully completed before submission for audit:

- The Council name has been omitted from Sections 2 and 4.
- The Annual Return does not contain the minute reference (Section 1).

The Body has not provided an adequate explanation for the variance between the prior and current year values in Box 3 of Section 1.

Section 1, Boxes 10 and 11 have been completed in pencil.

External auditor signature **PKF Littlejohn LLP**

External auditor name **PKF Littlejohn LLP**

Date **29 September 2015**

Note: The Audit Commission issued guidance in its Standing Guidance, which is applicable to external auditors' work on 2014/15 accounts.

Section 4 – Annual internal audit report 2014/15 to

ENTER LOCAL COUNCIL NAME HERE 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 MARK WINCHESTER

Signature of person who carried out the internal audit M.A. Winchester Date 31-JUL-2015

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 2014/15 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 audit. Both NALC and SLCC 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 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 drawn to the attention of and approved by the council, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a council member or the Chair, to review your 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 notify the external auditor of 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 council 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 1). 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 2. 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.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2014) equals the balance brought forward in the current year (Box 1 of 2015).
- 9 Do not complete section 3. The external auditor will complete it at the conclusion of the audit.

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 accounting statements?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2015 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 council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	
Section 2	For any statement to which the response is 'no', an explanation is provided?	✓
Section 4	All green boxes completed by internal audit and explanations provided?	✓

*Note: Governance and Accountability for Local Councils in England – A Practitioners' Guide is available from your local NALC and SLCC representatives or from www.nalc.gov.uk or www.slcc.co.uk

Mrs R Mitson
Sturmer Parish Council
31 Brybank Road
Haverill
Suffolk
CB9 7WD

Our ref EX0241
Your ref SB08217

Email sba@pkf-littlejohn.com

29 September 2015

Dear Mrs R Mitson

**Sturmer Parish Council
Completion of the limited assurance review for the year ended 31 March 2015**

We have completed our review of the Annual Return for Sturmer Parish Council for the year ended 31 March 2015. Please find enclosed the certified Annual Return for your attention.

The external auditor certificate and report is given in Section 3 of the Annual Return which details any matters arising from the review. The Body must consider these matters and decide what, if any, action is required.

Action you are required to take at the conclusion of the review

The Accounts and Audit (England) Regulations 2011 (SI 2011/817), as transitionally saved, set out what you must do at the conclusion of the review. In summary, you are required to:

- Prepare a "Notice of conclusion of the audit and right to Inspect the Annual Return", in line with the statutory requirements. We attach a pro forma notice you may use for this purpose.
- Display the "Notice" for a period of at least 14 days, along with the certified Annual Return*. [The Annual Return must be displayed so that at least Sections 1, 2 and 3 are visible. It is acceptable to display a copy of the Annual Return, as long as it is a true facsimile and bears a note saying where the original can be inspected].
- Keep copies of the Annual Return available for purchase by any person on payment of a reasonable sum.

* Displaying the Annual Return on the Body's notice board(s) satisfies the publication requirements of Regulation 13 of the Accounts and Audit (England) Regulations 2011, as transitionally saved. However, publication could also include copying onto a website, publishing as a separate leaflet, or publishing in a newspaper or as part of a newsletter.

Fee

We enclose our fee note for the review, which is in accordance with the fee scales set by the Audit Commission. Please arrange for this to be paid at the earliest opportunity.

Additional charges are itemised on the fee note. These arise where either we were required to send the Annual Return back for correction due to a mistake or omission by the Body; or we had to seek clarification and/or correction to supporting documentation due to a mistake or omission by the Body; or it was necessary for us to undertake additional work; or we had to send back documentation that was not requested.

Please return the remittance advice with your payment, which should be sent to:

PKF Littlejohn LLP, Ref: Credit control (SBA), 2nd Floor, 1 Westferry Circus, Canary Wharf, London, E14 4HD

Please include the reference EX0241 or Sturmer Parish Council as a reference when paying by BACS.

Timetable for 2015/16

Next year, as you may be aware, there is a change in approach to the provision for electors' rights. Please refer to the Accounts and Audit Regulations 2015 for further details: <http://www.legislation.gov.uk/ukxi/2015/234/contents/made>. As appointed auditors, we will no longer have the authority to set an appointed date; the consequences of this are that:

- The Body itself must inform the electorate of a single period of 30 working days during which electors' rights may be exercised;
- The inspection period **must** include the first 10 working days of July 2016, i.e. 1 to 14 July inclusive. In practice this means the electors' rights may be exercised:
 - at the earliest, between Friday 3 June and Thursday 14 July 2016; and
 - at the latest, between Friday 1 July and Thursday 11 August 2016.

In order to assist you in this process, we plan to include a pro forma template notice with a suggested inspection period included in our pack, as in previous years. The difference for 2015/16 is that on submitting your Annual Return and associated documentation, we will need you to either confirm that the suggested dates have been adopted or inform us of the alternative dates selected.

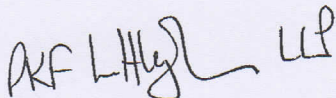
Please note that we will set a submission deadline for the return of the completed Annual Return and associated documents in the usual way and this is planned to be Monday 13 June 2016, i.e. 10 weeks after the year end.

It is anticipated that the instruction letter and associated documentation will be sent out during March 2016 in line with current practice, subject to receipt of the printed Annual Returns from Public Sector Audit Appointments Limited, the successor body to the Audit Commission.

Satisfaction survey

We enclose a satisfaction survey for you to complete and return to us. Please return this to us by 1 December 2015, either by post or via email to sba@pkf-littlejohn.com.

Yours sincerely



PKF Littlejohn LLP

Mrs R Mitson
Sturmer Parish Council
31 Brybank Road
Haverill
Suffolk
CB9 7WD

Our ref EX0241
Your ref SB08217
Invoice no SB20151987
VAT reg. no GB440 4982 50

Email sba@pkf-littlejohn.com

29 September 2015

INVOICE

Professional services rendered in connection with the following:

Limited assurance review of Annual Return for year ended 31 March 2015	£0.00
Additional charges (where applicable) as detailed on attached appendix A	£60.00
Additional fees (where applicable) as detailed on attached appendix B	£0.00
TOTAL NET	£60.00
VAT @ 20%	£12.00
TOTAL PAYABLE	£72.00

PAYMENT IS DUE ON RECEIPT OF INVOICE

**For payments by cheque, please return the remittance advice with your payment to:
PKF Littlejohn LLP, Credit Control (SBA), 2nd Floor, 1 Westferry Circus, Canary Wharf,
London E14 4HD**

For payments by credit transfer, our bank details are:-

**HSBC Bank plc Sort Code: 40-02-31
Account number: 11070797
Account Name: PKF Littlejohn LLP
Please include EX0241 or Sturmer Parish Council as the reference.**

For account queries, contact creditcontrol@pkf-littlejohn.com.

Appendix A

Additional charges for Sturmer Parish Council

Ref: EX0241
Audit Year: 2015
Invoice No: SB20151987
Date: 29/09/2015

Item	Letter Description	Date Raised	Value
1	Chaser letter where no information was received by the due date	01/07/2015	£30.00
2	Chaser letter where no information was received by the due date	12/08/2015	£30.00
TOTAL CHARGES			<hr/> £60.00

Sturmer Parish Council

Notice of conclusion of the audit and right to inspect the Annual Return Annual Return for the year ended 31 March 2015

Section 14 of the Audit Commission Act 1998, as transitionally saved

Accounts and Audit (England) Regulations 2011 (SI 2011/817), as transitionally saved

	Notes
1. The audit of accounts for Sturmer Parish Council for the year ended 31 March 2015 has been concluded.	
2. The Annual Return is available for inspection by any local government elector of the area of Sturmer Parish Council on application to: (a) <u>RACHEL MITSON</u> <u>31 BRYBANK ROAD</u> <u>HAVEHILL</u>	(a) Insert name, position and address of the person to whom local government electors should apply to inspect the Annual Return
3. Copies will be provided to any local government elector on payment of £ <u>100</u> (b) for each copy of the Annual Return.	(b) Insert a reasonable sum for copying costs
Announcement made by: (c) <u>RACHEL MITSON - CLERK TO PARISH COUNCIL</u>	(c) Insert name and position of person placing the notice
Date of announcement: (d) <u>20 OCTOBER 2015</u>	(d) Insert date of placing of the notice