



GLS006

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 2 – Annual governance statement 2014/15

We acknowledge as the members of:

ALVINGTON NA PARISH COUNCIL Council/Meeting

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2015, that:

	Agreed –		'Yes' means that the council:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	Yes		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.	Yes		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.	Yes		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.	Yes		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.	Yes		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.	Yes		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.	Yes		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.	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 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

MINUTE ITEM P10 (c) 20.5.15

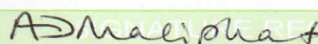
dated 20/05/2015

Signed by:

Chair  REQUIRED

dated 20/05/2015

Signed by:

Clerk  REQUIRED

dated 20/05/2015

*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.

This page is part of Section 3 - External auditor certificate and opinion 2014/15

**Alvington Parish Council
Audit Report for the year ended 31 March 2015**

**Other matters not affecting our opinion which we wish to draw to the attention
of Alvington Parish Council for the year ended 31 March 2015**

Section 1 Comparatives

The figures for 31 March 2014 in Boxes 2 and 3 have been restated from the figures presented on the 2014 Annual Return following the other matters noted in last year's external auditor's report. The council should write 'restated' beneath the '£' symbol of the 2014 column before the Annual Return is made available to the public.

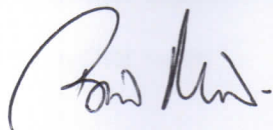
Accounting for Fixed Assets

It has come to our attention that Box 9 of Section 1 of the Annual Return – the Accounting Statements includes fixed assets valued at insurance value.

Local councils are required to account for fixed assets at purchase cost. If this is not known a proxy cost should be substituted (e.g. insurance value). Commercial concepts of depreciation or impairment adjustments, etc are not appropriate for local councils. For reporting purposes therefore, the 'book' value of fixed assets will usually therefore stay constant until disposal. Where insurance value has been used as a proxy, it should not be adjusted for annual changes.

Guidance on accounting for fixed assets is available in the NALC / SLCC publication "Governance and Accountability for Local Councils – A Practitioners Guide (England)" paragraphs 3.66 to 3.77.

The council should restate the 2015 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2015 column.



for Grant Thornton UK LLP

Date 17/8/15

Our ref GLS006

Section 4 – Annual internal audit report 2014/15 to

ENTR ALVINGTON PARISH COUNCIL

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.	yes		
B The council's financial regulations have been met, payments were supported by invoices, all 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, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A		
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 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.	yes		
K Trust funds (including charitable) The council met its responsibilities as a trustee.	yes	No	Not applicable
	N/A		

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

Budgetary Controls are closely monitored + well-maintained. I have tested pay's procedures by comparing cheques drawn against receipts/invoices, and Bank Statements. All payments have been sanctioned @ the Meetings as shown in the minutes. Appropriate Risk Assessment procedures are in place. There is no Petty Cash scheme. A good Audit Trail.

Name of person who carried out the internal audit **PRINCE MRS STIRLEY M. FOWLER**

Signature of person who carried out the internal audit *Mrs Fowler* Date **18.05.2015**

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