

# Local Councils in England

## Annual return for the year ended

### 31 March 2005

Local councils in England (Parish Meetings, Parish and Town Councils) and Joint Committees thereof must complete an annual return summarising their annual activities at the completion of each financial year.

The annual return on the following pages is made up of five sections. Sections 1 and 2 are to be completed by the person nominated by the council and Section 4 by the council's internal audit provider. Section 5 contains guidance on completion. Section 3 will be completed by the external auditor.

**Please complete all relevant sections, which are highlighted in green for your convenience. Do not leave any green box blank.** Incomplete or incorrect returns may require additional external audit work incurring additional costs charged in accordance with the Commission's approved skill related fee scale.

When Sections 1 and 2 have been approved by the council and Section 4 is complete, please send the annual return, together with any additional information requested, to your appointed external auditor who will add the certificate and opinion in Section 3.

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

Content	Key step	Done?
<b>Section 1</b> Statement of Accounts	All green boxes have been completed?	✓
	Council approval confirmed by signature of Chair of meeting approving accounts?	✓
<b>Section 1</b> Information requested in support	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2005 agreed to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
<b>Section 2</b> Statement of Assurance	All green boxes have been completed?	
<b>Section 2</b> Explanation of 'no' responses	For any statement to which the response is 'no', an explanation is provided?	N/A
<b>Section 4</b> Internal Auditor's report	All green boxes completed by internal audit and explanations provided?	✓
<b>All sections</b> Completed return and requested supporting information	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	✓

Audited and certified annual returns will be returned to the council for publication in accordance with the Accounts and Audit Regulations. There is no requirement for councils to publish the internal auditor's annual report although councils may choose to do so.

Guidance notes and instructions for completion are included at relevant points in the annual return. In the event that further guidance may be required, councils should refer to the NALC/SLCC practitioners' guide (*Governance and Accountability in Local Councils in England and Wales*) or contact NALC through County Associations or SLCC through the helplines set up for this purpose. It should not be necessary for councils to contact the external auditor or the Audit Commission directly for guidance.

Local Councils in England  
**Annual return**  
for the year ended 31 March 2005

**DAVEINHAM PARISH** COUNCIL/MEETING

**Section 1 – The statement of accounts**

In completing the boxes below please explain any significant variances, including any difference between Box 7 and Box 8, on a separate sheet and send this to the external auditor together with a copy of your bank reconciliation as at 31 March 2005. See page 6 and the *Practitioners' Guide* for guidance.

	31 March 2004 £	31 March 2005 £	
			<b>Please round all figures to nearest £. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to the council's underlying financial records for the relevant year.</b>
1 Balances brought forward	85,035	99,376	Total balances and reserves at the beginning of the year as recorded in the council's financial records.
2 (+) Annual precept	31,800	32,750	Total amount of precept income received in the year.
3 (+) Total other receipts	6,191	6,179	Total income or receipts as recorded in the cashbook minus the precept.
4 (-) Staff costs	4,877	7,341	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	0	0	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) Total other payments	19,073	9,004	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	99,376	121,760	Total balances and reserves at the end of the year. (Must equal (1+2+3) – (4+5+6))
8 Total cash & investments	99,376	121,960	The sum of all current and deposit bank accounts, cash holdings and investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets and long term assets	78,320	78,320	The recorded current 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	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

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 2005.

Signed by Responsible Financial Officer:  
  
Date

I confirm that these accounts were approved by the council and recorded as council minute reference:   
Date   
Signed by Chair of meeting approving council's accounts:  
  
Date

## Section 2 – Statement of assurance

We acknowledge as the members of DAVENHAM PARISH COUNCIL/MEETING our responsibility for the preparation of the statement of accounts and for the council's internal controls, and confirm, to the best of our knowledge and belief, with respect to the council's statement of accounts for the year ended 31 March 2005 in section 1, that:

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 and 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 for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes	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 and 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 in the operation of the council and has dealt with them properly.
6	we have maintained an adequate and effective system of internal audit of the council's 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 these meet the needs of the council.
7	we have taken what we consider to be appropriate action on all matters raised in previous reports from the internal and external auditors.	Yes	has taken appropriate action in response to matters brought to its attention by auditors.
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 during the year including events taking place after the year-end if relevant.

This Statement of Assurance is approved by the council and recorded as council minute reference

04/05/4-2 dated 25/4/05

Signed on behalf of DAVENHAM PARISH COUNCIL/MEETING

Signed by: Chair [Signature] Date 25/4/05

Signed by: Clerk [Signature] Date 25/4/05

\* 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 of   COUNCIL/MEETING for the year ended 31 March 2005.

### 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 2005; 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 wish to draw to the attention of the council/meeting;

(continue on a separate sheet if required)

External auditor’s signature

External auditor’s name  Date

**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 Local Councils and their Auditors*.

# Section 4 – Annual internal audit report to

Doverham Parish COUNCIL/MEETING

The council's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2005.

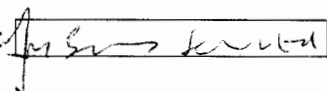
The internal audit has been carried out in accordance with the council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and, opposite, are the internal audit 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.

A Appropriate books of account have been properly kept throughout the year.	Y
B The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	Y
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Y
D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Y
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Y
F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	Y
G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	Y
H Asset and investments registers were complete and accurate and properly maintained.	Y
I Periodic and year-end bank account reconciliations were properly carried out.	Y
J Year end accounts were prepared on the correct accounting basis (receipts & payments/income & expenditure), agreed with cash book, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.	Y

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

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Name of person who carried out the internal audit: BDM BUSINESS SERVICES LTD.

Signature of person who carried out the internal audit:  Date: 26/06/05

- \* 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).
- \*\* 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).