

Upwood And The Raveleys Parish Council

Notice of conclusion of the audit and right to inspect the Annual Return Annual Return for the year ended 31 March 2013

Section 14 of the Audit Commission Act 1998

Accounts and Audit (England) Regulations 2011 (SI 2011/817)

<p>1. The audit of accounts for Upwood And The Raveleys Parish Council for the year ended 31 March 2013 has been concluded.</p> <p>2. The Annual Return is available for inspection by any local government elector of the area of Upwood And The Raveleys Parish Council on application to:</p> <p>(a) <u>CAROL BILVERSTONE.</u> <u>PARISH CLERK, UPWOOD & THE RAVELEYS PARISH COUNCIL</u> <u>KILMANTARO, 9 MEADOW ROAD, UPWOOD, HUNTINGDON,</u> <u>CAMBRIDGESHIRE, PE26 2QT.</u> <u>upwoodraveleysclerk@yahoo.co.uk</u></p> <p>3. Copies will be provided to any local government elector on payment of <u>£1.65</u> (b) for each copy of the Annual Return. <u>+ Postage.</u></p> <p>Announcement made by: (c) <u>Carol Bilverstone, Parish Clerk.</u></p> <p>Date of announcement: (d) <u>14 October 2013.</u></p>	<p>Notes</p> <p>(a) Insert name, position and address of the person to whom local government electors should apply to inspect the Annual Return</p> <p>(b) Insert a reasonable sum for copying costs</p> <p>(c) Insert name and position of person placing the notice</p> <p>(d) Insert date of placing of the notice</p>
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This document will be available for inspection at the
next Parish Council Meeting: 04 November 2013 in Upwood
Village Hall. It is also available on the village
website: www.upwood.org

Local Councils in England

Annual return for the year ended 31 March 2013

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 2013.

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 2013, 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 audit. Therefore, unless requested, do **not** send any original financial records to the external auditor.

Audited and 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 audited annual return by 30 September 2013.

It should not be necessary for you to contact the external auditor or the Audit Commission directly 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 2012/13 for

Upwood & the Raveleys Parish Council REPORTING BODY NAME HERE

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 2012 £	31 March 2013 £									
1 Balances brought forward	17,089	20,279	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	16,655	15,400	Total amount of precept received or receivable in the year.								
3 (+) Total other receipts	2,373	2,347	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.								
4 (-) Staff costs	3,993	4,670	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	0	0	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).								
6 (-) All other payments	11,845	9,990	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	20,279	23,366	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	20,279	23,366	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	55,726	65,948	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	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).								
11 (If Applicable) Trust funds (including charitable) disclosure note	<table> <tr> <th>YES</th><th>NO</th><th>YES</th><th>NO</th></tr> <tr> <td></td><td>✓</td><td></td><td>✓</td></tr> </table>	YES	NO	YES	NO		✓		✓		(if applicable) The council acts as sole trustee for and is responsible for managing trust funds or assets. (Readers should note that the figures in the accounting statements above do not include any trust transactions.)
YES	NO	YES	NO								
	✓		✓								

I certify that for the year ended 31 March 2013 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

Alan Hurrell SIGNED

Date 3-6-13 YYYY

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

3-6-2013

and recorded as minute reference:

M2-12/06-13.2 CE

Signed by Chair of the meeting approving these accounting statements.

R. Hurrell SIGNED

Date 3-6-2013

Section 2 – Annual governance statement 2012/13

We acknowledge as the members of:

Upwood & the Raveleys Parish Council ENTER LOCAL COUNCIL NAME HERE

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 2013, 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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 codes of practice that could have a significant financial effect on the ability of the council to conduct its business or on its finances.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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 provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input type="checkbox"/>	<input type="checkbox"/>	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

M2 - 12/06 - 13.2

dated 3-6-13

Signed by:

Chair

dated 3-6-13

Signed by:

Clerk

dated 3-6-13

***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 opinion 2012/13

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2013 of

Upwood & the Raveleys Parish Council ENTER LOCAL COUNCIL NAME HERE

Respective responsibilities of the council and the auditor

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

- summarises the accounting records for the year ended 31 March 2013; 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 report

~~(Except for the matters reported below)*~~ on the basis of our review, 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. ~~(*delete as appropriate).~~

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 audit by the date requested.
- In the completion of Section 4, the Annual Internal Audit Report, the internal auditor has drawn attention to significant weaknesses in relation to the assessment of significant risks. The Body has taken action to address these weaknesses.

External auditor signature

PKF Littlejohn LLP

External auditor name

PKF Littlejohn LLP

Date

21-9-13

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 2012/13 to

Upwood & the Raveleys Parish Council ENTER LOCAL COUNCIL NAME HERE

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 2013.

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			
	Yes	No*	Not covered**
A Appropriate books of account 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.		✓	see separate sheet
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.			NONE
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.	Yes	No	Not applicable
			✓

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

See separate sheet

Name of person who carried out the internal audit

RN WILLIAMS

Signature of person who carried out the internal audit

Date *4/6/13*

***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 2012/13 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 2012) equals the balance brought forward in the current year (Box 1 of 2013).
- 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 2013 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 accounting statements unless requested.	N/A
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

Internal Control Objectives

C: The Council assessed the significant risks to the achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Internal Auditor selected no to this statement as risk assessments had not been adopted by the Council. The new Parish Clerk had started the process when they joined in November by producing a yearly Risk Management Assessment (attached). After talking with the Internal Auditor about the risk assessments that are required the process has begun in order to produce the appropriate Risk Assessments that will be adopted by the Parish Council in 2013/2014.

This risk management paper was considered by Upwood & the Raveley's Council on 3rd June 2013 and will be reviewed again by March 31st 2014

Area	Risk	Control	Responsibility of RFO/Clerk	Notes
Finance	Banking	Council funds held in high street bank.	Maintain Council accounts	
	Fraud	A transfers between Parish Council accounts are automatic to ensure that the chequing does go overdrawn, all withdrawals must have signatories of two councillors. If a cheque has been signed outside of a meeting by two councillors this is minuted at the next Parish Council meeting for Councillors to note.	Ensure cheques are signed correctly.	
	Fraud	Cancelled cheques are recorded in the receipt folder.		
	Loss of cash through theft or dishonesty	Receipts/Invoices issued.	Produce receipts and invoices at 31 March 2013	
	Financial controls and records	Monthly reconciliation prepared by RFO and presented to council, internal and external audit.	Prepare monthly accounts reconciliation and relevant paperwork.	Copy to be presented to council monthly
	Proper use of funds granted to local community bodies under specific powers or under section 137.	Monitor legal powers and use of section 137 .	Ensure powers are recorded monitor use of section 137	
	Keeping proper financial records in accordance with statutory requirements.	As per current Audit and Accounting Regulations.	Regular scrutiny of financial records and proper arrangements for the approval of expenditure.	
	Comply with Customs and Excise Regulations	VAT payments and claims calculated by Clerk and highlighted in cashbook. Clerk to claim back VAT quarterly or when a reasonable has been accrued internal and external auditor to provide double check.	Copies of VAT claim form held in files.	
	Sound budgeting to underlie annual precept	Council to receive working papers in January to consider annual budget. Precept derived directly from this. Expenditure against budget reported to Council monthly.	Prepare annual budget forecast.	
	Comply with borrowing restrictions	N/A		

Area	Risk	Control	Responsibility of RFO/Clerk	Notes
<u>RECEIPT</u>	Not Submitted paid by DC	Receipt confirmed by Bank Statement		
<u>Other Income</u>	Cash Handling	Does not apply to Council as petty cash is not kept.		
	Cash Banking	Check to bank statements. Regular Bank Reconciliations.	Bank reconciliations presented monthly for Members information.	
	Allotments	Payment taken by RFO and recorded in separate allotment folder.	Chairman and Secretary of the Allotment Association share information with the Clerk and check allotment spread sheet to ensure that it is kept up to date.	
	Cemetery	Payment taken by RFO and recorded in the receipt folder.	Check of registers	
<u>Investment Income</u>	Does not apply			
<u>Salaries</u>	Wrong salary/hours/rate paid	Salary is recorded in cash book and receipt issued.	Information is presented to Members on monthly basis.	
	Travel expenses	Clerks expenses is record in cash book and record in receipts issued.		Since October 2012 only travel expenses has been claimed by the current clerk. No stationary and stamps had been purchased. Calls are minimal and have been covered under free call minutes on Clerk's mobile
	Legal liability as consequence of asset ownership (equipment & street furniture, play areas and recreation field.	Insurance in place. Regular check of play area. Professional inspection of play area carried out annually.	Ensure written records are kept. Review annually or more frequently as required and report to council. Take immediate action where an imminent risk under delegated powers.	Regular checks by Councillors are not recorded and form to be devised by Clerk for distribution to Member's rota required.
<u>Assets</u>	Protection of physical assets owned by the Council	Maintain assets register. Equipment insured.	Maintain assets register.	Assets Register had been updated in January 2013 and Insurance Company advised.
	Clerk's Office equipment	Covered under Parish Council insurance.	Maintain office equipment.	

Area	Risk	Control	Responsibility of RFO/Clerk	Notes
<u>Employer Liability</u>	Comply with Employment Law	Contract of Employment and Annual Appraisals for all staff.	Ensure contracts and systems of updating records for any changes in relevant legislation are in place. Ensure Council renews membership annually.	Clerk employed in November and has handed in notice. Recruitment of new Clerk has begun.
	Comply with Inland Revenue requirements	Regular advice from Inland Revenue. Internal and external auditor carry out annual checks	Maintain correct Tax & NI deductions and complete relevant forms and returns to Inland Revenue.	Clerk has paid own tax on salary earned in 2012/2013 which has been sent to HMCR under the Council's PAYE system. HMRC Real Time Reporting has been set up for 2013/2014
	Safety of Staff	Employer's Liability Insurance. H&S risk assessment checks of Clerk's office annually.		Clerk to undertake a simple RA of office layout as was not completed in 2012/2013
<u>Legal Liability</u>	Ensuring activities are within legal powers	Clerk clarifies legal position on any new proposal. Legal advice to be sought where necessary.	Seek legal advice where necessary.	
	Proper and timely reporting via the Minutes	Full Council meeting monthly receives and approves Minutes of meetings held in interim. Minutes available to public and press according to Freedom of Information Act - Publication Scheme 2002. Committees meet on a regular basis at 10.00am, as set out in Council.	Minutes properly numbered and with a signed master copy kept in the Clerk's office.	Minutes are published on the parish website after they have been signed by the Chairman.
<u>Area</u>	<u>Risk</u>	<u>Control</u>	<u>Responsibility of RFO/Clerk</u>	<u>Notes</u>
<u>Members' Interests</u>	Conflict of Interest	Register of Interest completed and sent to the Monitoring Officer, Huntingdonshire District Council. Council reminded annually re obligation to up-date register within 28 days. Declarations of interest to be documented/minuted. Where a prejudicial interest exists members to leave meeting whilst the item is discussed.	Ensure each Councillor receives a Register of Interest form for completion.	Register of Member's Interest has been published on Huntingdonshire District Council website.
<u>Staff</u>	Loss of Key personnel and impact on continuity	Locum appointed if necessary	Paperwork of ongoing projects to be kept on file and not filed until complete.	

Financial Risk Paper Assessed by Date.....

Signature.....

Upwood & the Raveleys Parish Council

Section 1	2011/2012	2012/2013	Variance	Variance	Detailed Explanation of variance (with amounts £)
	£	£	£	%	
Box 1 Balances brought forward	17,089	20,279	3,190	18.00	In 2011/2012 the Parish Council paid £2250 in donations in comparison to £875 for 2012/2013. In 2011/2012, £1050 was paid to the Village Hall Committee; £425 to the Village Newsletter and £775 to the Church. £800 was paid to the then Acting Parish Clerk under 'Acting Clerk Investigatory Services' in addition to salary for time that was carried out to investigate the finances of the Parish Council. As it had become apparent that in addition to the previous Clerk's monthly salary, the Clerk had been inflating her monthly expense claims by ever increasing amounts. The majority of claims had insufficient supporting receipts. Following the investigation the Previous Clerk was jailed for twelve months. As result of the donations and additional salary the expenditure was greater than in 2012/2013 which carried a smaller balance forward.
Box 2 Precept	16,655	15,400	-1,255	8.00	N/a
Box 3 Other receipts	2,373	2,347	-26	-1.00	N/a
Box 4 Staff Costs	3,993	4,670	677	17.00	In October 2012 the Parish Council agreed to increase the number of hour for the Parish Clerk to 35 hours a month @ £11.55 per hour (Salary remained the same) which started in November 2012
Box 5 Loan Interest / Capital repayments	Nil	Nil	Nil	Nil	Nil
Box 6 Other payments	11,845	9,990	-1,855	16.00	In 2011/2012 a grants were paid to the Village Hall Committee and the Church. A £1,050 was paid to the Village Hall Committee which was used for internal works to improve the Hall. £775 was paid to the Church for works to the Church Yard.
Box 7 Balances carried forward	20,279	23,366	3,087	15.00	
Box 8 Cash and short term investments	20,279	23,366	3,087	15.00	
Box 9 Fixed assets & long term investments	55,726	55,726	0	0.00	
Box 10 Borrowings	Nil	Nil	Nil		Nil