

# Hopesay Parish Council

## NOTICE OF CONCLUSION OF AUDIT AND RIGHT TO INSPECT THE ANNUAL RETURN FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

**Section 25 of the Local audit and Accountability Act  
2014**

**Accounts and Audit (England) Regulations 2015**

### NOTICE

1. The audit of accounts for the Council for the year ended 31<sup>st</sup> March 2016 has been concluded.
2. The Annual Return is available for inspection by any local government elector of the area of the Council on application to:  
  
Mrs Meg Gwilliam (Clerk)  
Honey Hills  
Hopesay  
Nr Craven Arms  
SY7 8HA
3. Copies will be provided to any local government elector on payment of £1.00 for each copy of the Annual Return

**This announcement is made by Mrs Meg Gwilliam, Clerk and  
Responsible Financial Officer to Hopesay Parish Council.**

**3<sup>rd</sup> September 2016.**

# Annual internal audit report 2015/16 to

Enter name of smaller authority here:

HOPESAY PARISH COUNCIL

This smaller authority'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 2016.

Internal audit has been carried out in accordance with this smaller authority'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 this smaller authority.

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. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates 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 this smaller authority's 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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit

IAN S SIMPSON

Signature of person who carried out the internal audit

*[Handwritten Signature]*

Date

05/06/16

\*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).

# Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of  
smaller authority here:

HOPESAY PARISH COUNCIL

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 2016, that:

	Agreed		'Yes' means that this smaller authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
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 this smaller authority 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 gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this smaller authority 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 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 this smaller authority.
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 this smaller authority 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. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities 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 this smaller authority and recorded as minute reference:

060616/10

dated 06/06/2016

Signed by:

Chair

*John Trench*

dated

6/6/16

Signed by:

Clerk

*Morgan*

dated

6/6/16

\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

# Section 2 – Accounting statements 2015/16 for

Enter name of smaller authority here:

HOPESAY PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	10824	10325	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. (+) Precept or Rates and Levies	5708	7805	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1171	5509	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	2985	4753	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 smaller authority's borrowings (if any).
6. (-) All other payments	4393	2904	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	10325	15982	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8. Total value of cash and short term investments	10325	15982	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	2129	912	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority 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. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. <b>N.B. The figures in the accounting statements above do not include any Trust transactions.</b>
		<input checked="" type="checkbox"/>	

I certify that for the year ended 31 March 2016 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

*Meg Gullham*

Date 1/6/2016

I confirm that these accounting statements were approved by this smaller authority on this date:

06/06/2016

and recorded as minute reference:

060616/10

Signed by Chair of the meeting approving these accounting statements.

*John T...*

Date 6/6/16

# Section 3 – External auditor certificate and report

## 2015/16 Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2016 in respect of:

Enter name of  
smaller authority here:

HOPESAY PARISH COUNCIL

### Respective responsibilities of the body and the auditor

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

- summarises the accounting records for the year ended 31 March 2016; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (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

~~(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. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

External auditor signature

Mazars LLP

External auditor name

Mazars LLP, Durham, DH1 5TS

Date

8 August 2016

Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

## Explanation of significant variances in the accounting statements – Section 2

Local council name: **HOPESAY PARISH COUNCIL**

Please explain any variances of more than 15% between the totals for individual boxes in Section 2. We do not require explanations 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 – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (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 also ask you to explain any change where there is a movement to or from zero. Please either use the proforma below, or complete a separate schedule if more space is required.

<b>Section 2</b>	<b>2014/15 £</b>	<b>2015/16 £</b>	<b>Variance (+/-) £</b>	<b>Detailed explanation of variance (for each reason noted please include monetary values to nearest £10)</b>
<b>Box 2</b> <i>Precept</i>	5708	7805	+2097	Clerk's hours increased from 5 hrs per week to 8 hrs per week (+ £1640).
<b>Box 3</b> <i>Other Income</i>	1171	5509	+4338	Includes one-off grant of £2362 for Transparency Code compliance, and one-off Community Infrastructure Levy payment of £1245, and a £700 increase in fund raising.
<b>Box 4</b> <i>Staff costs</i>	2985	4753	+1768	Clerk's hours increased from 5 hrs per week to 8 hrs per week as a result of increased workload, and payroll costs increased due to moving to monthly pay from quarterly pay.
<b>Box 5</b> <i>Loan interest/ Capital</i>	Nil	Nil		
<b>Box 6</b> <i>Other Payments</i>	4393	2904	-1489	2014/15 payments included £490 lighting repairs, £595 tree works, & £250 pest control all of which were <b>zero</b> in 2015/16.
<b>Box 7</b> <i>Balances carried forward</i>	10325	15982	+5657	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. Aston Green reserve £3542 (includes £1800 expected spend 2015/16 but unanticipated improvement project delays); Transparency Code reserve of £2343 will be used 2016/17, CIL reserve of £1245 to be used within 4 yrs, Election reserve £860, Footway Lighting reserve £317, Arbor Tree works reserve £300.
<b>Box 9</b> <i>Fixed assets &amp; long term assets</i>	2129	912	-1217	Explain all movements in this category and not just those above 15% Assets Register was reduced by £1550 due to sale of old mowing equipment (which only realised £225), and increased by £333 due to acquiring a new pc. This explains the variance of £1217.
<b>Box 10</b> <i>Total borrowing</i>	Nil	Nil		