

Local Councils, Internal Drainage Boards and other Smaller Authorities in England

Annual return for the year ended 31 March 2017

Every smaller authority in England with an annual turnover of £0.3 million or less must complete an annual return at the end of each financial year in accordance with proper practices sustaining its activities. In this annual return the term 'smaller authority' includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. Smaller authorities must approve Section 1 before Section 2.
- Section 3 is completed by the external auditor.

In addition, the internal audit report is completed by the smaller authority's internal audit provider.

Each smaller authority must approve Section 1 and Section 2 in order and in accordance with the requirements of the Accounts and Audit Regulations 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 highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2017, an explanation of any significant year on year variances in the accounting statements, your notification of the commencement date of the period for the exercise of public rights and any additional information requested, to your external auditor by the due date.

Your external auditor will ask for any additional documents needed for their work. Unless requested, do not send any original financial records to the external auditor.

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication and public display of Sections 1, 2 and 3. You must publish and display the annual return, including the external auditor's report, by 30 September 2017.

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 'Practitioner' Guide that can be downloaded from www.half.gov.uk or from www.ada.co.uk or from www.ada.org.uk.

To complete it if you do not have an external auditor visit www.ada.co.uk or www.ada.org.uk.

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of

the name of
the authority, that

Borough of Ashford in East Sussex Page 54
50/00/00

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 2017, that:

	Yes		No responsibility on audit
	Yes	No	
1. We have put in place arrangements to effective financial management during the year, and to the protection of the authority's assets.	✓		responsibility on accounting statements in accordance with the accounts and audit regulations.
2. We maintain an adequate system of internal control, including resources designed to prevent and detect financial irregularities and respond to deficiencies.	✓		make proper arrangements and exercise responsibility for safeguarding financial assets and resources & budget.
3. We have taken reasonable steps to ensure compliance that there are no matters of actual or potential compliance offences, regulatory or licence conditions that could have a significant financial effect on the ability of the authority to conduct its business or its performance.	✓		ensure, where appropriate, the appropriate level of service compliance with proper practice is being done.
4. We provide proper opportunities during the year for the exercise of relevant rights of consultation with the representatives of the members and staff.	✓		during the year give members/employees the opportunity to discuss and ask questions about the authority's accounts.
5. We carried out an assessment of the risks facing the authority, including the identification of internal control weaknesses and external financial risks where material.	✓		considered the risks and other issues raised and take them into account.
6. We maintained throughout the year adequate and effective systems of internal control of the accounting records and transactions.	✓		prepare the accounts properly independent of the management's arrangements to get an objective view on whether internal controls meet the needs of the authority.
7. We have appropriate policies on directors' remuneration and external audit.		✓	responsibilities brought to attention in external audit.
8. We considered whether any financial, legislative or contractual arrangements could compromise the integrity of the accounts and, where appropriate, have included them in the accounting statements.	✓		discussed everything I should have asked the members about during the year including everything that after the year end changes.
9. We have carried out and put fully in place internal control arrangements in the way in which we manage our accounting responsibilities for the financial year, including financial reporting and if required, independent examination of such.	Yes	No	responsibility on internal control of the accounts and management of the financial year.

The annual governance statement approved by the authority on:

15/06/17

and signed as a member of the:

4/3

Signed by Chair at meeting where approved on:

C. J. G. G.

Date:

15/06/17

Note: Where possible, signatures in the external auditor's report should be given. Describe the authority with reference to the website identified.

Section 2 – Accounting statements 2016/17 for

Director of
Public Activities

Edinburgh Alliance for Education

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Council Doc

	2016/17		Accounting policies
	2016/17 £	2016/17 £	
1. Income through grants	471,045	478,118	The calculation and transfer of funding of the unit is included in the financial records. Make sure you include 1st of income year.
2. Income from sales and leases	21,284	29,280	The amount of income for facilities, sales and leases received is recorded in the year. Contact any grants received.
3. Income from other receipts	6,915	46,117	The amount of income is recorded in the calendar year for appropriate allocation received. See 2. Include any grants received.
4. Income from other	58,061	6,210	The expenditure is recorded in the year or spread of all activities. Include salaries and wages, PAYE, social security and employers' pension contributions and employment expenses.
5. Income from investments	0	0	The expenditure is recorded in the year and interest received during the year in the smaller authority's accounting year.
6. Income from other	22,416	15,603	The expenditure is recorded in the year in the calendar year and into the financial records. See 2. See 2.
7. Income from other	47,878	58,647	The expenditure is recorded in the calendar year. See 2. See 2.
8. Income from other and other	47,878	58,647	The total of all income and other items received, less funding and other income, is recorded in the year. See 2. See 2.
9. Income from other and other	33,752	16,540	The total of all income and other items received, less funding and other income, is recorded in the year. See 2. See 2.
10. Income from other	0	0	The expenditure is recorded in the year and interest received during the year in the smaller authority's accounting year.
11. The total income			
12. The total income			

I certify that the accounts reflect the true and fair view of the financial position of the smaller authority which include and explain the operations of the smaller authority's activities in the year for the

Signed by the Director of Public Activities

[Signature]

Date: 02 June 2017

I confirm that these accounting statements were approved by the smaller authority on

15/6/17

Signed by the Director of Public Activities

4.2

Signed by the Director of Public Activities

[Signature]

Section 3 – External auditor report and certificate

In respect of

the name of
the authority

Borough of Arundel & South Downs
Annual Certificate

1. 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 2017; 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.

2. 2016/17 External auditor report

"Based on the review requirements" as defined in our terms of the appointment, more extensive information is the annual return and accounts and proper practice and so other matters have come to our attention going beyond the information about legislative and regulatory requirements (see note below). (Date of signature)

Signature of external audit firm

Observations not affecting our opinion which are relevant to the duties of the smaller authority

Signature of external audit firm

3. 2016/17 External auditor certificate

We certify/do not 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 2017.

*Do you issue a certificate of assurance?

External audit report

External audit name

Title

Note: The NAO issued guidance applicable to external auditors from 2016/17 accounts in July 2016. The Audit Authority has issued guidance which is available on the website.

Annual internal audit report 2016/17 to

Name of the smaller authority was:

ROCHESTER BRICK & CEMENT CO. LTD Publicly traded

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 2017.

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

Control objective	Assessment (based on the information available)		
	Yes	No	Not applicable
A. Appointed accounting records have been appropriately throughout the year	✓		
B. The smaller authority's net financial requirements (payments) were supported by evidence, all expenditure and financial support was appropriately accounted for	✓		
C. The smaller authority's accounting records have been properly maintained and reviewed by officers of appropriate competence	✓		
D. The control of other requirements resulted from an adequate budgetary control system agreed to the budget was regularly monitored, and reported were appropriate	✓		
E. Expenditure was fully supported based on prior authorisation properly recorded and properly checked and not well applicable procedures	✓		
F. Bills and payments were properly supported, recorded, classified and reported and appropriate VAT applications			✓
G. Officers and employees and directors or members were not in accordance with the smaller authority's agreements and T&Cs and requirements were properly applied	✓		
H. Assets and liabilities registers were complete and accurate and properly maintained	✓		
I. Records and procedures relating to cash management were properly controlled	✓		
J. Accounting statements prepared during the year were supported by the correct accounting base (income and payments) and financial adjustments agreed in the truth table supported by an adequate audit trail that identifying source and other appropriate factors and factors were properly recorded	✓		
K. Financial requirements Trust funds (including donations) – The council needs responsibility in records			✓

Having taken all other identifying the smaller authority's adequate controls considered any other risk considerations or to ensure that it needed

No petty cash float held

Name of person who carried out the internal audit

David J. Bennett

Signature of person who carried out the internal audit

D. J. Bennett

on *5/6/2017*

*If the response is 'no' please describe the deficiencies and other key information in addition to any evidence in control records and separate sheets if needed.

*Note: If the response is 'not covered' please state when the next internal audit will take place in the area and when it is anticipated, or if coverage is not required, internal audit will require appropriate separate sheets if needed.

Guidance notes on completing the 2016/17 annual return

1. You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioner's Guide¹ which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. FALC, SACC and RGA have helplines if you want to ask through any problem you encounter.
2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialed and explanation provided. Annual returns containing unapproved or unapproved amendments may be returned and incur additional costs.
3. Smaller authorities must approve Section 1 on page 2 before approving Section 2 on page 3.
4. Use the checklist provided below. Use a second pair of eyes, perhaps a Council or Board Member, to review the annual return for completeness and accuracy before sending it to the external auditor.
5. Do not send the external auditor any information not specifically advisory. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Date.
6. Make sure that the way of the bank reconciliation when you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, state their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 3 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 3. More help on bank reconciliation is available in the Practitioner's Guide¹.
7. Explain fully significant variances in the accounting statements on page 3. 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 a complete numerical and narrative analysis to support your explanation. There are a number of examples provided in the Practitioner's Guide¹ to assist you.
8. If the external auditor has to view unfiled 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.
9. You must inform the external auditor of the date set for the commencement of the period for the exercise of public rights.
10. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2016) equals the balance brought forward in the current year (Box 4 of 2017).
11. Do not complete Section 2 which is reserved for the external auditor.

Section/Box	Do I understand the external auditor's requirements	Yes/No
Box 1 (date)	<ul style="list-style-type: none"> All highlighted boxes have been completed? All additional information requested, including the date set for the exercise of public rights, has been provided to the external auditor? 	
Box 2 (1)	<ul style="list-style-type: none"> For my statement to enter the register, is an accountant consulted? 	
Section 2	<ul style="list-style-type: none"> Smaller authority approved if the accounting statements is submitted to the Registrar of the Clerk at the annual meeting? Explanation of significant variances has not been to the year is provided? Bank reconciliation and 11th March 2017 agreed (Box 3)? Explanation of any difference between Box 7 and Box 3 provided? 	
Section 1 on 2	<ul style="list-style-type: none"> For items - of documents made for issued to a clerk management/HR. Must be used for accounting statements when requested. 	
Final statement	<ul style="list-style-type: none"> All highlighted boxes completed. Section 2 and explanation provided? 	

¹ Note: The Practitioner's Guide is available from our website FALC, SACC or RGA separately or in the complete package and also available on our website as well.