

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

EARDISLAND 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:

dated _____

Signed by:

Chair

dated

Signed by:

Clerk

dated

*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:

EARDISLAND PARISH COUNCIL

RESTATE

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	13,876	14,596	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	14,939	18,275	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	10,259	26,639	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	5,663	7,226	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	18,815	44,156	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	14,596	8,128	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	12,954	1,072	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 long term investments and assets	180,000	180,000	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. N.B. The figures in the accounting statements above do not include any Trust transactions.
		✓	

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

Date

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

and recorded as minute reference:

Signed by Chair of the meeting approving these accounting statements.

Date

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

EARDISLAND 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.	Yes	No	Not applicable
			✓

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 **PETER JOHN DAVIES**

Signature of person who carried out the internal audit **PJD Davies** Date **10-MAY-2016**

*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).

**EARDISLAND PARISH COUNCIL
HEREFORDSHIRE**

Explanation of Variances

Box on section 2	2015 £	2016 £	Variance increase (+) or decrease (-)	% (Variance divided by 2015 figure multiplied by 100)	Explanation (If more than £250 or 15%)
Box 2 Precept	14,9939	18,275	3,336	22.3	Increase for extra Lengthsman work, new playground equipment, contingency and increase in Clerk's hours
Box 3 Other receipts	10,259	26,639	16,380	159.6	More £16,298 in play area grants/funding More £79 in parish magazine advertising More £2,327 in Lengthsman grant Less £529 no Parish Plan grant this year Less £2,336 in NDP grant
Box 4 Staff costs	5,663	7,226	1,563	27.6	More £1,563 increase in salary and expenses for extra meetings for NDP and hours increased from 5/wk in 2014-15 to 7/wk in 2015-16 and increase in salary point
Box 6 All other payments	18,815	44,156	25,341	134.6	More £17,704 in new play equipment More £3,725 in Lengthsman costs More £75 in audit fee More £62 in stationery, postage etc from increased activity More £239 in S137 grants More £59 in maintenance costs More £47 in room hire for more meetings and increase in charges More £152 in training costs as 2 new Councillors More £41 election costs as elections this year More £289 from subscriptions as previous year paid early More £6,026 in contingency costs for on village hall repairs and legal fees for lease, planning response document, tree survey, restoration work on mill race Less £218 in insurance fee from reduced quote Less £1,669 in NDP costs Less £772 as no Parish Plan costs

2015 figures restated to account for extra VAT in 2015 variance, as not relevant to 2016 brought forward figure

Reconciliation between boxes 7 and 8

Difference between boxes 7 and 8

£7,056

VAT paid in 2015-16

£7,056

£7,056

Eardisland Parish Council Accounts 2015-2016

	<u>£</u>	<u>Income £</u>	<u>Expenditure £</u>	<u>Totals £</u>
Balance per bank statements as at 31/3/16		3670.79		3670.79
Community account				
Less any unpresented cheques/deposits at 31/3/16				
Hoople, C/N 100640	55.20			
Herefordshire Council, C/N 100641	41.00			
J Knight, C/N 100642	30.00			
BM Lowe Trust, C/N 100643	10.00			
SLCC, C/N 100644	43.46			
Richard Mills, C/N 100645	504.00			
Hitrees, C/N 100646	288.00			
Lloyds Cooper, C/N 100647	500.00			
Kirkwells, C/N 100648	480.00			
HMRC, C/N 100650	418.49			
Leominster Community Resource Centre, C/N 100651	159.05			
St Michaels Hospice, C/N 100652	30.00			
Hereford & Worcester Animal Rescue Centre, C/N 100653	20.00			
P Millichard, C/N 100654	20.00			
				2599.20
Net Balances as 31/3/16				1,071.59

Cash Book				
Opening balance 1 April 2015		15925.12		
Add: Receipts in the year		46556.10		
Less: Payments in 2015-16			58,438.70	
Less: Payments from 2014-15 paid in 2015-16			2,970.93	
Closing balance per cash book as at 31/3/16				1071.59

Eardisland Parish Council
Income and expenditure summary 2015-16

2014-2015	2015-2016	Income
£8.75	£6.24	Interest
£1,728.45	£4,055.25	Lengthsman and P3 from HC
£791.00	£870.00	Parish magazine and other advertising
£240.00		P3 Scheme
£15,750.00	£19,250.00	Precept
£130.00	£130.00	Bowling Club rent
£0.00	£0.00	Donations
£7.20	£7.26	Wayleaves
£529.40	£0.00	Parish Plan CLP
£6,013.00	£3,677.00	Neighbourhood Planning Grant
£1,057.18	£1,642.35	VAT reclaim
	£16,298.00	Play area grants and funding
	£620.00	Refunds from village hall
£26,254.98	£46,556.10	
Expenditure		
		Advertising
£125.00	£200.00	Audit
		Bank Charges
	£10.00	Car park
£6.36	£6.56	Drainage rates
£889.30	£951.47	Parish Expenses - postage, stationery, sundries
£2,393.87	£2,633.06	S.137
£1,478.39	£1,259.90	Insurance
£1,555.00	£5,280.25	Lengthsman and P3
£953.48	£959.14	Parish magazine
£2,772.96	£2,714.35	Maintenance - mowing, SIDs, bus shelter, EVH, other
£156.54	£17,860.90	Play area
£81.00	£128.50	Room hire for PC meetings
£5,662.93	£4,674.49	Salary & PAYE
	£846.26	Clerk's expenses - mileage, parking, SLCC
£35.00	£324.20	Subscription - HALC, ICO, Community First
£150.00	£301.62	Training
£40.68	£48.70	Website
£400.00		P3 Footpath works
£6,084.50	£4,425.50	NDP (excl salary)
	£1,705.27	NDP salary (exc PAYE)
£1,000.00	£985.00	Burial ground mowing
£772.50	£0.00	Parish Plan CLP
	£41.00	Election
£1,539.72	£7,056.53	VAT
	£6,026.00	Contingency
£26,097.23	£58,438.70	

S137 allocation (£7.36x 394)

Total = £2,899.84

Notes:

1. Expenditure figures exclude VAT, as this is reclaimed at the end of the financial year
2. Income from VAT reclaim is VAT paid previous financial year
3. High level of VAT in 2015-16 due to new play equipment
4. Enhanced Lengthsman scheme joined in April 2015, required matched funding from PC, £1,848 from reserves
5. Reserves used for NDP salary and contingency
6. Contingency expenses were higher than anticipated - £500 solicitor's fees for village hall lease, £400 tree survey for insurance, £300 new window for hall, £700 planning objection document, £1,170 electric heaters in hall, £523 remedial drainage work for hall, £500 emergency tree work
7. Reserves carried forward to 2016-17 = £8,128, reduced from £14,596 at start of year