

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

HAZLEMEERE PARISH COUNCIL

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	
	£	£	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1 Balances brought forward	118,208	163,937	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	237,348	237,348	Total amount of precept received or receivable in the year.
3 (+) Total other receipts	37,537	25,837	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	71,124	68,935	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	39,992	39,992	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) All other payments	118,039	123,388	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	163,938	194,807	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	162,870	190,479	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	2,694,900	2,234,642	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	391,998	379,705	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	x	x	(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.)

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

A Barlam

Date 03/06/13

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

04/06/2013

and recorded as minute reference:

FCOT/06/13 C)

Signed by Chair of the meeting approving these accounting statements.

Date

11.06.13

Section 2 – Annual governance statement 2012/13

We acknowledge as the members of:

HAZLEMERE 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 2013, that:

		Agreed –	Yes	No
		Yes	No	Not applicable
1	We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		
2	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		
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.	✓		
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.	✓		
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.	✓		
6	We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems.	✓		
7	We took appropriate action on all matters raised in reports from 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.	✓		
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.			✗

This annual governance statement is approved by the council and recorded as minute reference

FC07/06/13 C)

dated **04/06/2013**

Signed by:

Chair

dated

Signed by:

Clerk

dated

[Signature]
11-06-13.

Abraham

03/06/13.

***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

HAZLEMELE PARISH COUNCIL

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).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

External auditor signature

External auditor 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 Auditors and of Audited Small Bodies*.

Section 4 – Annual internal audit report 2012/13 to

HAZLEMERE PARISH COUNCIL

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	Internal Audit conclusion Achieved or not achieved
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.	✓
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.	✓
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.	✓

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

Name of person who carried out the internal audit

KEVIN ROSE

ACMA

Signature of person who carried out the internal audit

L-Rose

Date 30-5-2013

***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?	✓
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?	N/A
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

ACCOUNTS
HAZLEMERE PARISH COUNCIL
Year Ended 31 March 2013
SUPPORTING STATEMENT

Assets Movements in the Year 2012/2013

AUDITED	£
a. During the year the following capital spend was incurred:	
Replacement Play Equipment at The Dell and Rose Avenue	18,330
b. There were no assets disposed of	0
c. At 31 March 2013 the following assets were held:	
<u>Community Assets</u>	
Hazlemere Recreation Ground (Valued at £240,000 on 1 July 2012)	1
Rose Avenue Recreation Ground	1
The Dell Open Space	1
Sundry Woodland and Open Spaces	1
War Memorial	1
Civic Regalia	2,491
The Dell Allotments	1
Basketball Courts (2) Tennis Courts (5) and Bowling Green (1)	4
<u>Fixed Assets</u>	
Cedar Barn	753,438
Stable Block	307,058
Ken Williams Memorial Pavilion (Valued at £1,052,160 on 1 July 2012: depreciating at £37,000 per annum)	1,015,160
<u>Other Assets</u>	
7 Bus Shelters	38,635
Truck and Trailer	5,200
Mowers and Other Equipment	3,000
Play Ground Equipment	100,000
Hall Chairs	2,010
Hall Tables	1,980
Cedar Barn Fixtures and Fittings	5,660

Activity	AUDITED	£																					
<u>Borrowings</u> At the close of business on 31 March 2013 the following PWLB loan was outstanding (Loan No. 495695)		379,705																					
<u>Leases</u> At 31 March 2013 the following leases were in operation: <table><tr><th>Lessor</th><th>Purpose</th><th>Expiry</th><th>Annual Rent</th></tr><tr><td>Ernest Cook Trust</td><td>Queensway Allotments</td><td>Year on Year</td><td>300</td></tr><tr><td>Siemens FS</td><td>Photocopier</td><td>Year on Year</td><td><u>1,374</u></td></tr><tr><td colspan="3">Total</td><td><u>1,674</u></td></tr></table>		Lessor	Purpose	Expiry	Annual Rent	Ernest Cook Trust	Queensway Allotments	Year on Year	300	Siemens FS	Photocopier	Year on Year	<u>1,374</u>	Total			<u>1,674</u>						
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Total			<u>1,674</u>																				
<u>Tenancies</u> During the year the following tenancies were in force: <table><tr><th>Tenant</th><th>Property</th><th>Rent</th></tr><tr><td>8th HW Scout Group</td><td>Stable Block (non repairing)</td><td>1</td></tr><tr><td>Hazlemere Gardening Association</td><td>Stable Block (non repairing)</td><td>1</td></tr><tr><td>Lymphodema Clinic</td><td>Kenvic Flat</td><td><u>3,600</u></td></tr><tr><td colspan="2">Total</td><td><u>3,602</u></td></tr></table>		Tenant	Property	Rent	8 th HW Scout Group	Stable Block (non repairing)	1	Hazlemere Gardening Association	Stable Block (non repairing)	1	Lymphodema Clinic	Kenvic Flat	<u>3,600</u>	Total		<u>3,602</u>							
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Lymphodema Clinic	Kenvic Flat	<u>3,600</u>																					
Total		<u>3,602</u>																					
<u>Debts Outstanding</u> At 31 March 2013 debts of £370 were outstanding and due to the Council. The ages of the debts were: <table><tr><td>Less than 3 months old:</td><td>Cedar Barn Hire</td><td>370</td></tr><tr><td></td><td>VAT Refund</td><td><u>1307</u></td></tr><tr><td colspan="2">Total</td><td><u>1677</u></td></tr></table>		Less than 3 months old:	Cedar Barn Hire	370		VAT Refund	<u>1307</u>	Total		<u>1677</u>													
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<u>S.137 Payments</u> Section 137 of the Local Government Act 1972 enables Parish Councils to spend up to the produce of £6.80 per head of electorate for the benefit of people in the area on activities or projects not specifically authorised by other powers. South Ward Electorate = 3,573 and North Ward Electorate = 3,774 = Total 7,347 The limit for this Council in the year ended 31 March 2013 was £49,960 and payments made were: <table><tr><th>Payee</th><th>Nature of Payment</th><th></th></tr><tr><td>Hazlemere Fete</td><td>Donation</td><td>150</td></tr><tr><td>Hazlemere Brownies</td><td>Donation</td><td>52</td></tr><tr><td>Hazlemere Rainbows</td><td>Donation</td><td>52</td></tr><tr><td>Royal British Legion</td><td>Donation</td><td>100</td></tr><tr><td>Grange Area Trust</td><td>Donation</td><td><u>5,000</u></td></tr><tr><td colspan="2">Total</td><td><u>5,354</u></td></tr></table>		Payee	Nature of Payment		Hazlemere Fete	Donation	150	Hazlemere Brownies	Donation	52	Hazlemere Rainbows	Donation	52	Royal British Legion	Donation	100	Grange Area Trust	Donation	<u>5,000</u>	Total		<u>5,354</u>	
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Royal British Legion	Donation	100																					
Grange Area Trust	Donation	<u>5,000</u>																					
Total		<u>5,354</u>																					

Activity	AUDITED	£
<u>Advertising and Publicity</u> The following costs were incurred during the year: <ul style="list-style-type: none"> ▪ Newsquest (Public Notices) ▪ Widmer End Residents Association (Advert for Cedar Barn Hire) ▪ Hazlemere Gardening Association (Advert for Cedar Barn Hire) ▪ Hazlemere Fete Stall Display Boards <div style="text-align: right;"><u>Total</u></div>		182 96 25 <u>12</u> 315

Approved by: _____ Chairman

_____ Responsible Finance Officer (RFO)

Date: _____

**HAZLEMERE PARISH COUNCIL
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2013**

Year Ended 31.03.12 £	AUDITED	Year Ended 31.03.13 £
	<u>INCOME</u>	
237,348	Precept	237,348
0	Interest on Investments	0
882	Allotment Rents	974
16,042	Hall Letting Fees	18,600
6,940	Rents	5,699
4,373	Miscellaneous	564
9,300	Donations/Grant Received	0
274,885	<u>Total Income</u>	263,185
	<u>EXPENDITURE</u>	
119,741	General Administration	103,217
750	S.137 Payments	5,354
	<u>Capital Spend</u>	
0	Play Equipment	33,330
	<u>Running Costs:</u>	
25,930	Street Lighting	27,685
39,978	Open Spaces	22,391
799	Allotments	346
39,992	PWLB Loan Repayments	39,992
227,190	<u>Total Expenditure</u>	232,315
	<u>GENERAL FUND</u>	
86,008	Balance at 1 st April 2012	163,937
274,885	Add Total Income	263,185
360,893		427,122
227,190	Deduct Total Expenditure	
133,703	General Fund	232,315
133,703	<u>Balance at 31 March 2013</u>	194,807

**HAZLEMERE PARISH COUNCIL
BALANCE SHEET
YEAR ENDED 31 MARCH 2013**

Year Ended 31.03.12 £	AUDITED		Year Ended 31.03.13 £
	<u>CURRENT ASSETS</u>		
1,966	Stocks and Stores		1,966
920	Debtors		370
34	Payments in Advance		651
1,330	VAT Recoverable		1,307
162,870	Cash at Bank		190,479
5	Petty Cash		154
	Accruals		550
167,125			195,477
	<u>CURRENT LIABILITIES</u>		
453	Creditors		76
769	Receipts in Advance		594
1222	<u>Total</u>		670
165,903	<u>NET ASSETS</u>		194,807
	Represented By:		
		<u>Surplus 2012/13</u>	
82,587	General Fund	65,969 47,488	130,075
23,500	Reserves:		
50,200	Vehicle	23,500	23,500
7,650	Play Equip	50,200	35,200
	Tree Work	<u>7,650</u>	7,650
163,937	<u>Total</u>	<u>81,350</u>	
		147,319 47,488	194,807