

**Reconciliation between Box 7 and Box 8 in Section 1 – pro forma**  
 (applies to Annual Returns prepared on an income and expenditure basis only)

Whitley Parish Council *Year to 31/3/2015*

There should only be a difference between Box 7 and Box 8 where the Annual Return has been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
<b>Box 7: Balances carried forward</b>		73,208
<b>Deduct:</b>	<b>Debtors</b>	
	• VAT. reclaim To 31/3/15	3,328
	• BANK INTEREST	490
	•	
	•	
	•	
		3,818
<b>Deduct:</b>	<b>Payments made in advance (prepayments)</b>	
	• BUS SHEDDLE RENTAL	8
	• INSURANCES	105
		113
<b>Total deductions</b>		3,931
<b>Add:</b>	<b>Creditors</b>	
	• Audit fees	120
	• CHAIRS SALARY COSTS	1,690
	• LHMRC - PAYE	115
	• COUNCILLOR ALLOWANCES <del>20</del>	517
	• PLAY AREA INSPECTION	180
		2,622
<b>Add:</b>	<b>Receipts in advance</b>	
	• RING FENCED FUNDS	
	• FOR FUTURE MTCR OF PLAYAREAS	
	SECTION 106	16,439
<b>Total additions</b>		19,061
<b>Box 8: Total cash and short term investments</b>		88,338

# Bank Reconciliation - Pro Forma

## Whitley Parish Council

Financial Year Ending 31st March 2015

Prepared by: Keith Leppingwell - Parish Clerk

Date 10th May 2015

Balance as per Bank Statement as at 31st March 2015		£	£
Santander Bank PLC	Current Account	591	
	Deposit Accounts	<u>33,834</u>	34,425
Co-operative Bank PLC	Current Account	3,885	
	Deposit Account	<u>50,701</u>	54,586
Petty Cash Float			100
Less any unrepresented cheques at 31st March 2015			
Filcris Ltd		-714	
Whitley & Eggborough School		<u>-59</u>	-773
Add any unbanked cash at 31st March 2015			nil
<b>Net Balances at 31st March 2015</b>			<b>88,338</b>

*The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:*

Opening Balance 1st April 2014	98,030
Add: Receipts in the year	17,894
Less: Payments in the year	-27,586
<b>Closing balance per cash book ( receipts &amp; payments book) as at 31st March 2015 ( Must equal net balances above - Box 8</b>	<b>88,338</b>

If You NEED IT WITH PENCE  
See ATTACHED

10/5/2015

## Bank Reconciliation - Pro Forma

### Whitley Parish Council

Financial Year Ending 31st March 2015

Prepared by: Keith Leppingwell - Parish Clerk

Date 10th May 2015

Balance as per Bank Statement as at 31st March 2015		£	£
Santander Bank PLC	Current Account	591.48	
	Deposit Accounts	<u>33,833.52</u>	34,425.00
Co-operative Bank PLC	Current Account	3,884.31	
	Deposit Account	<u>50,701.17</u>	54,585.48
Petty Cash Float			100.00
Less any unrepresented cheques at 31st March 2015			
	Filcris Ltd	-714.00	
	Whitley & Eggborough School	<u>-58.50</u>	-772.50
Add any unbanked cash at 31st March 2015			nil
<b>Net Balances at 31st March 2015</b>			<b>88,337.98</b>

***The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:***

Opening Balance 1st April 2014	98,029.88
Add: Receipts in the year	17,894.45
Less: Payments in the year	-27,586.35 (incl v
<b>Closing balance per cash book ( receipts &amp; payments book) as at 31st March 2015 ( Must equal net balances above - Box 8</b>	<b>88,337.98</b>

KE 10/5/2015

# Explanation of variances – pro forma for local councils

## Whitley Parish Council

The JPAG 'Practitioners' Guide' (paragraph 2.15 onwards) provides guidance on explaining significant variances. Please provide explanations for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

Section 1	2013/14 £	2014/15 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 Precept	9830	10,424	+594	5.66	INCREASE REQUIRED TO FUND EXP. ESTIMATES FOR 2014/15
Box 3 Other receipts	6480	7619	+1861	28.72	INT. ON RINGFENCED FUND RELEASED TO PC FUNDS £3714 OTHER GRANTS & DONATIONS BUT LESS THAN IN 2013/14.
Box 4 Staff costs	2832	3169	+337	11.90	INCREASED MOVES + PAY INCREASE IN 2014/15. (RATE PER HOUR)
Box 5 Loan interest/ capital repayments	NIL	NIL	-		
Box 6 Other payments	12,255	14,288	+2033	16.59	INCREASED EXP ON ITEMS OF CHARITABLE NATURE WRITTEN OFF. 2013/14 = £5227 2014/15 = £7974
Box 9 Fixed assets & long term assets	88,145	91,887	+3742	4.25	NEW F.L.CD ASSETS FOR PARKLAND & PLAY AREA. WASTE BIN £330 SWING £3407
Box 10 Borrowings	NIL	NIL	-	-	
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because .... LARGE SUM HELD DUE TO DEVELOPER SECTION 106 COMMITTED SUMS FOR PLAYAREA MAINTENANCE THE SUM IS RINGFENCED & CAN ONLY SPENT ON MAINTENANCE AT DESIGNATED SITES IN WHITLEY. AMOUNT HELD AT 31/3/2015 IS £76,307.97				

# Section 1 – Accounting statements 2014/15 for

Enter name of reporting body here:

WHITNEY PARISH

Council/Meeting

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 2014 £	31 March 2015 £	
1 Balances brought forward	71,399	72,622	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	9830	10424	Total amount of precept received or receivable in the year. Excludes any grants received.
3 (+) Total other receipts	6480	7619	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	-2832	-3169	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 council's borrowings (if any).
6 (-) All other payments	-12,255	-14,288	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	72,622	73,208	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	98,030	98,338	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 other long term investments and assets	88,145	91,887	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	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 <b>Disclosure note</b> Trust funds (including charitable)	<input checked="" type="checkbox"/> yes <input type="checkbox"/> 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 2015 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. Henrywell*

Date 19/05/2015

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

19/05/2015

and recorded as minute reference:

5/2015/10.3

Signed by Chair of the meeting approving these accounting statements.

*[Signature]*

Date 19/05/15

## Section 2 – Annual governance statement 2014/15

We acknowledge as the members of:

Council/Meeting

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 2015, 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.	✓		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.	✓		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 the council 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 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.	✓		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.	✓		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.	✓		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.	✓		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.	✓	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 the council and recorded as minute reference

5/2015/10.3  
dated 19/05/2015

Signed by:

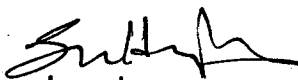
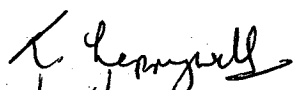
Chair

dated

Signed by:

Clerk

dated

  
19/05/2015  
  
19/05/2015

\*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 4 – Annual internal audit report 2014/15 to

WHITLEY PARISH

Council/Meeting

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 2015.

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	Agreed? Please choose only one of the following
	Yes No Not covered
A Appropriate accounting records 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.	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:

NOT APPLICABLE

Name of person who carried out the internal audit MRS. F.M.A. FARMAN

Signature of person who carried out the internal audit F.M.A. Farmman. Date 14/05/2015

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 2014/15 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 2014) equals the balance brought forward in the current year (Box 1 of 2015).
- 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.	✓
	Council approval confirmed by signature of Chair of meeting approving accounting statements?	✓
Section 1	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2015 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](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk)