

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

THURLESTON 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:

Meeting held 27-6-2016
dated 27-6-2016

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:

THURLASTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	6529	6876	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	1912	4428	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1174	1750	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	506	1639	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	No	No	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	2254	5345	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	6855	6070	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	6855	6070	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	10869	10953	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

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:

THURLASTON 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:

SEE ATTACHED

(continue on a separate sheet if required)

External auditor signature

Grant Thornton UK LLP

External auditor name

Grant Thornton UK LLP

Date

19 September 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)

Annual internal audit report 2015/16 to

Enter name of
smaller authority here:

THURLESTON 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 invoice, 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: W. S. ROBINSON

Signature of person who carried out the internal audit: [Signature] Date: 14/06/2016

*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).

THURLASTON PARISH COUNCIL

BANK RECONCILIATION to 31st March 2016

BANK STATEMENT

Balance per bank statement	£7320.04
<u>Add</u> Unbanked receipts	£0
<u>Less</u> uncleared Cheques	£1250.02

Net bank balance	<u>£6,070.02</u>
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CASH BOOK

Opening balance 1/4/15	£6,875.93	
<u>Add</u> Receipts	£6177.70	£13,053.63
<u>Less</u> Payments		£6,213.76
Less cleared cheques		£769.83
Cash Book Balance		<u>£6070.02</u>

Records balanced	YES
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Prepared by.....

Date.....

Approved by.....

Date.....

Local Council Name: Thurlaston Parish Council

County: Warwickshire

BANK RECONCILIATION YEAR ENDED 31 MARCH 2016

Balance per bank statement at 31 March 2016	£7320.04
Add unbanked receipts	£ 0.00

Less uncleared cheques	£1250.02
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Net Bank Balance	<u>£6070.02</u>
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Cash Book

Opening balance 1/4/2015	£6875.93
Add Receipts	£6177.70
Total	£13053.63

Less Payments	£6213.76
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Less cheques cleared in 2016	£ 769.83
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Cash Book Balance	<u>£6070.02</u>
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Records Balanced

Petty Cash

No Petty Cash held

Prepared by.....

Date.....

Approved by.....

Date.....

Explanation of Significant Variances

Box 2 Precept:

Figure in 2015 column	£1912
Figure in 2016 column	£4428
Variance 131.5%	£2516

Reasons

Reason 1 - There was only 1 precept payments in 2015 of £1912 but there were three in 2014 of £5327. Therefore 2015 was £1912 short. The precept increased in 2015 to £4428. £1912 plus difference in 2016 of £604 is £2516

Amount - £2516

Box 3 Total Other Receipts

Figure in 2105 column **£1174**

Figure in 2016 column **£1750**

Variance	49%	£576
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Reasons

Reason 1-	Lengthsman scheme introduced grant of	£1166.70
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Reason 2-	No bank fees paid	- £ 625.00
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Reason 3-	Difference in Council Tax support	£ 33.69
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Reason 4- No VAT reclaimed in 2015/6

Amount £576

Box 4 Staff Costs

Figure in 2105 column **£ 506**

Figure in 2016 column **£1639**

Variance	223%	£1133
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Reasons

Reason 1-	The figure in 2015 should have been £1162 as per P & L but only £506 showed on accounting statement.	£656
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Reason 2-	Clerk changed in July 2015. Extra hours worked for training and handover.	£477
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Amount £1133

Box 5 Loan Interest/Capital Repayments

Figure in 2105 column **NIL**

Figure in 2016 column **NIL**

Box 6 All Other Payments

Figure in 2105 column **£2254**

Figure in 2016 column **£5345**

Variance 137% **£3091**

Reasons

Reason 1 - Increase in charges during 2016

Footpath lighting overall	£ 3.53
Clerk's expenses	£ 274.56
Insurance	£ 41.43
Audit fees	£ 84.00
Training fees	£ 120.00
Grass cutting	£ 125.00
Meeting expenses	£ 45.90
Repairs	£ 60.00
Stationary	£ 14.85
WALC membership	£ 2.00
Welcome pack	£ 11.23
Dog bin	£ 100.80
Printing	£ 107.93
WRCC	£ 10.00
Lengthsman charges	£1699.93
Computer expenses	£ 16.98
Election expenses	£ 132.22
	£2851.00

Difference in outstanding cheques **£481.00**

Reason 2 - No VAT claimed	-£185.30
Data Protection fee not renewed	-£ 35.00
Increase in printing	-£196.36
Expenses for events	-£ 32.09
Draycote gate lock maintenance	-£ 17.09
HMRC	-£126.40
Keys	-£ 8.00
	-£601.00

Amount £2731.00

Difference unaccounted £360.00

Reason 3 - Clerk's expenses increased due to setting up new office, purchase of stationery and equipment.

Reason 4- No Training Costs in 2015

Box 9 Total Fixed Assets

Figure in 2105 column	£10,869.00
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Figure in 2016 column	£10,953.00
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Reason

Inventory of Street Furniture updated with a purchase of one dog litter bin.