

## **LISKEARD TOWN COUNCIL**

**AT A SPECIAL MEETING** of the **TOWN COUNCIL** held in the Council Chamber on Tuesday 10 May 2016 at 6.45 pm there were present:

The Mayor - Councillor Phil Seeva - in the Chair

The Deputy Mayor - Councillor Jane Pascoe

Councillors - Rachel Brooks, Ian Goldsworthy, Sally Hawken, Roger Holmes, Martin Menear, Sue Pike, Tony Powell. Anne Purdon, James Shrubsole, Lorna Shrubsole and Christina Whitty

Town Clerk - Steve Vinson

Minute Clerk - Stuart Houghton

Members of the Public None

The Mayor advised the Council of Housekeeping matters

### **999/15 APOLOGIES**

Apologies were received from Cornwall Councillor Mike George and Councillors Adam Hodgkins and Hella Tovar

### **1000/15 DECLARATIONS OF INTERESTS, REGISTERABLE AND NON REGISTERABLE**

No declarations of interests were made.

### **1001/15 TOWN CLERK'S REPORT**

The Town Clerk informed the Council of the purpose of this meeting. The Annual Return had to be returned to the external auditors by 17 June 2016. The Town Clerk's report had been circulated and all items were Agenda items for discussion

### **1002/15 ANNUAL RETURN 2015/2016**

a. to receive and approve the Internal Auditors Final Report

The Internal Auditors Final report had been circulated to Members, the Mayor asked if there were any questions about the report.

The Mayor proposed, Councillor Purdon seconded and the Council **RESOLVED** to **APPROVE** the Internal Auditors Report and **ADOPT** its recommendations.

b. to receive and approve the relevant sections of the Annual Return, 2015/2016, for submission to the External Auditor.

Section 1 Annual Governance Statement 2015/2016

A copy of the Annual Governance Statement had been circulated to Members for their consideration. The Town Clerk read out each section and asked for Councillors comments;

Part 1 We have put in place arrangements for effective financial management during the year and for the preparation of the accounting statements.

No comments were received.

Part 2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness

No comments were received

Part 3 We took all reasonable steps to ensure ourselves that there are matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant effect on the ability of this smaller authority to conduct its business or on its finances.

No comments were received

Part 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.

No comments were received.

Part 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.

No comments were received

Part 6 We maintained throughout the year an adequate effective system of internal audit of accounting records and control systems.

No comments were received

Part 7 We took appropriate action on all matters raised in reports from internal and external audit

No comments were received

Part 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

No comments were received

Part 9 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

No comments were received

The Mayor proposed, the Deputy Mayor seconded and the Council **RESOLVED** that the Council had complied with the Annual Governance Statement and that the Mayor and Town Clerk should sign the Annual Governance Statement 2015/2016.

The Mayor and Town Clerk then signed Section 1, the Annual Governance Statement 2015/2016.

### Section 2 Accounting Statements 2015/2016

A copy of the Accounting Statements had been circulated to Members for their consideration. The Town Clerk read out each section and asked for Councillors comments;

Members had no comments on the figures entered into this section.

The Mayor proposed, Councillor Brooks seconded and the Council **RESOLVED** that the Council **APPROVE** the Accounting Statement 2015/2016 and that the Mayor and Town Clerk should sign the Accounting Statements 2015/2016.

The Mayor and Town Clerk then signed Section 2 Accounting Statements 2015/2016.

### Section 3 Balance Sheet 2015/2016

The Town Clerk had circulated the Balance Sheet for 1 April 2015 to 31 March 2016.

The Mayor proposed, Councillor J. Shrubsole seconded and the Council **RESOLVED** the Mayor and Town Clerk should sign the Balance Sheet, Petty Cash and Bank reconciliation sheets for 2015/2016.

The Mayor and Town Clerk then signed the reconciliation sheets for 2015/2016.

### 1003/15 CORNWALL COUNCIL DEVOLUTION LISKEARD LIBRARY

To receive an update and recommendation from the Devolution Working Group.

Details were included in the Town Clerk's report.

The Mayor reported that the Devolution Working Group had met with RIO and

felt that good progress had been made. Suggestions for a modern approach for the operation of the Library and use of the building were being discussed; they were looking at the use for the whole of South east Cornwall, not just Liskeard. It was proposed that a joint application, by RIO and the Town Council, should be made for a grant for the development of feasibility for the scheme. Comments made included;

- i. The involvement of an external entrepreneur would help to secure the future of the Library
- ii. Was there a need for an offer to be made to take on the Library, at the last consultation about this only 65 responses were received from the Town
- iii. The Town Council would not be financially involved
- iv. Monies would be required at the end of May for a building survey prior to repurposing the building, further maintenance requirements could be discovered
- v. RIO were in communication with Cornwall Council about other matters
- vi. A meeting was arranged for 18 May 2016, which Councillors Hawken and Pike wished to attend.
- vii. About 64000 people, in South East Cornwall, used the library each year
- viii. Members stated that they were not opposed to an economically viable project

The Mayor proposed, Councillor Pike seconded and the Council **RESOLVED** to **SUPPORT** the principle of working towards a partnership agreement with RIO for the future of Liskeard Library.

The Mayor proposed, Councillor Menear seconded and the Council **RESOLVED** to submit a joint Liskeard Town Council / RIO bid to the Local devolution Fund for the professional fees and design of a retained Library service and repurposed building.

#### **1004/15 THE MAN ENGINE**

The Town Clerks report contained details for this grant application.

An application had been made to the Finance Committee at which the Chair of the Communications and Engagement Committee had suggested that funds might be available from that Committee's budget. At a meeting of the Communication and Engagement Committee it was resolved that funds were available and a recommendation made to Council that a payment of £1500 be made to the man Engine project. Members commented;

- i. The original sum requested had been £3k, this was considered too much
- ii. The event would only last 1 hour in the Town
- iii. The original details provided were very vague
- iv. Contributions could be requested from other organisations in the Town
- v. A meeting was arranged with interested parties in the Town to promote this event and hold other attractions to "make a day of it"

- vi. Value for money from the event should be considered
- vii. Five local Primary Schools and the Liskeard School and College were all involved in this project

Councillor Brooks proposed, Councillor Hawken seconded and the Council **RESOLVED** to award £1.5k to the Man Engine organisation from the Communications and Engagement Committee's budget, and that other organisations in the Town should be asked to contribute towards the day.

#### **1005/15 SCHEDULE OF PAYMENTS FOR APPROVAL**

The schedule of accounts for payment, which needed to be approved by the Council, had been circulated.

The Mayor asked for comments about the proposed payments; none were received.

The Mayor proposed, Councillor Holmes seconded and the Council **RESOLVED** to **APPROVE** the payments as circulated.

Councillor L. Shrubsole mentioned the requirement of the Local Council Award scheme for all Councillors to receive financial training.

It was agreed that the Town Clerk would investigate what was available and to invite other Councils, if appropriate, to share the training and cost.

#### **1006/15 DATE OF THE NEXT MEETING**

The next meeting of the Town Council would be held on Tuesday 21 June 2016, in the Council Chamber.

The Annual Town Meeting would be held in the Refreshment Room on Wednesday 11 May 2016.

## **8. Clerk's Report – For Information – 10<sup>th</sup> May 2016**

Item	Update
Honoured Burgess	George Vaughan Ellis – has been informally contacted regarding the decision of the last Council meeting and has been very pleased to accept the status of Honoured Burgess. He will not be able to attend the Mayor Making Ceremony on 24 <sup>th</sup> May 2016. Alternative arrangements will be made for the presentation.

## **10. Annual Return 2015/2016 – a.) To receive and approve the Internal Auditor's Final Report. b.) to receive and approve the relevant sections of the Annual Return 2015/2016 for submission to the External Auditors.**

**a.) Internal Auditor's Final Report 2015/2016 (see attached)** The Council's Annual Accounts for the 2015/2016 financial year have been audited by our Internal Auditor (Ken Abraham – South and West Internal Audit). The Final Report is attached. It shows that the Council's annual accounts were satisfactory. The Internal Auditor has recommended an action to the Council in regards our Fidelity Guarantee Cover. This is to raise the level of cover from £577,000 to £700,000 to continue to meet Government guidance.

The Council's insurance brokers are WPS Ltd. They have been contacted regarding the recommendation of the Internal Auditor. They have indicated that the higher figure is an amount which is still within the current price banding paid by the Council. As a result, the increase in cover would not require an additional premium to be paid. The Town Clerk has confirmed that the Council would increase its Fidelity Guarantee Cover to the amount recommended.

**RECOMMENDATION: THAT THE COUNCIL APPROVES THE INTERNAL AUDITORS' FINAL REPORT 2015/2016 AND ADOPTS ITS RECOMMENDATIONS.**

**b.) Annual Return 2015/2016 – Annual Governance Statement (see attached):** Grant Thornton the external auditors have sent the Council a letter and attachments which includes the new style of Annual Governance Statement. Grant Thornton have asked for this to be returned to them by 17<sup>th</sup> June at the latest.

There are three steps in the approval of this document and the attachments that will accompany it. Section 1 of the Annual Return is the Annual Governance Statement which is in nine parts and the Council is required to agree to these steps item by item. The Mayor and Town Clerk will sign and date them after the Council give approval to do so.

The second item needing Council approval is Accounting Statement 2015/2016 which is Section 2 of the Annual Return. Once the Council approves this the Mayor and Town Clerk are to sign the relevant section.

**Balance Sheet – 1<sup>st</sup> April 2015 – 31<sup>st</sup> March 2016 (attached)**

The Balance Sheet (attached) provides a summary of the Council's situation as at 31<sup>st</sup> March 2016. This includes the Petty Cash and Bank Reconciliation. All three will need to be signed by the Mayor and Town Clerk.

**RECOMMENDATIONS: THAT THE COUNCIL APPROVES THE NINE ITEMS WITHIN THE ANNUAL GOVERNANCE STATEMENT 2015/2016 WHICH IS SECTION 1 OF THE ANNUAL RETURN**

**THAT THE COUNCIL APPROVES THE ACCOUNTING STATEMENT 2015/2016 WHICH IS SECTION 2 OF THE ANNUAL RETURN.**

**THAT THE COUNCIL APPROVES THE SIGNING OF THE BALANCE SHEET, PETTY CASH AND BANK RECONCILIATION SHEETS 2015/2016.**

**Cornwall Council Devolution Liskeard Library – To receive an update and recommendations from the Devolution Working Group**

The Devolution Working Group has been considering the Cornwall Council proposal to devolve libraries in an effort to achieve budget cuts. The Real Ideas Organisation RIO has expressed an interest in taking over the library building in Liskeard from Cornwall Council. Their draft proposal is attached.

At the 3<sup>rd</sup> May 2016 Devolution Working Group, RIO presented their ideas and a discussion resulted in how best to progress a local devolution of the Liskeard library should this prove necessary. One element of the proposal is that an application be made to Cornwall Council for money from the Local Devolution Fund. This would cover the feasibility studies and professional fees to examine the proposal to devolve the library service and building. This would include repurposing the library building. Cornwall Council have confirmed that the deadline for the receipt of applications for the LDF is the end of May.

Following discussion at the Devolution Working Group it was recommended to Council that it considers:

**RECOMMENDATIONS: Does the Town Council support the principal of working towards a partnership agreement with RIO for the future of Liskeard library.**

**The Town Council submits a joint Liskeard Town Council/RIO bid for Local Devolution Fund for the professional fees and design of a retained library service and repurposed building.**

**The Man Engine Grant - To consider and approve the grant of £1,500**

The Man Engine project submitted a grant application for £3,000. Finance and Strategy Committee requested further information including the potential benefits of the Man Engine project to the town. The Man Engine project sent a request on May 3<sup>rd</sup> for a decision as soon as possible to help facilitate planning for the project. The Communications and Engagement Committee at the May 3<sup>rd</sup> 2016 meeting recommended a grant of £1,500 be made by the Council. A meeting will be held on 6<sup>th</sup> May 2016 with a range of interested parties from within the town to see to what extent the other organisations might help with activities that would enhance the benefit to the Man Engine to Liskeard. The results of this meeting will be reported at the 10<sup>th</sup> May Council meeting.

Pending that information it is recommended that:

**RECOMMENDATION: That the Council award a grant of £1,500 to the Man Engine project.**

### **Schedule of Payments for Approval – To receive and approve the Schedule**

Council will recall that the Council has adopted new Financial Regulations 2015 to replace the previous 2011 version. One of the new elements of the Financial Regulations is the change to the way that payments are presented to Council. In the past the Council has received a schedule of payments that had been made. (The green sheet). These were noted. For the new Financial year 2016/2017, a schedule of payments will be presented to Council for approval. This will require a proposer and seconder and a vote and a minute will need to be recorded to show the schedule of payments has been approved. It should be noted that payments will not be released until after approval by the Council. This differs from the previous practice. However, it is the format recommended by the National Association of Local Councils (N.A.L.C.) in the 2015 Best Practice Financial Regulations and was subsequently adopted by the Town Council.

**RECOMMENDATION: That the Council approve the Schedule of Payments**

22<sup>nd</sup> April 2016

*Report prepared by: Ken Abraham*

**Internal Audit Report 2015-16 Final – April 2016  
Liskeard Town Council**

In accordance with testing strategy developed in the Financial Risk Assessment, which concludes that the overall risk is low, testing was carried out as appropriate:

✓ **Bank Reconciliation**

Bank reconciliations have been regularly performed throughout the year. The year end bank reconciliation was re-performed and agreed.

*Satisfactory. No issues.*

➤ **Fidelity Guarantee Cover**

The level of cover was reviewed and compared to the sum indicated by Audit Commission guidance. On the basis of the guidance the cover required is £700,000 and the cover in place is £577,000 reflected increased balances.

*Council should increase cover in line with the guidance. The cover is subject to average.*

✓ **Fixed Assets and Long Term Investments**

The fixed asset register was reviewed and the totals agreed to the Annual Return total. There were no identified additions or disposals in the year.

*Satisfactory. No issues.*

➤ **Debtors**

Year end aged debtors were reviewed. VAT recoverable was agreed to system report.

*There are sums outstanding from longer than 3 months that need to be pursued.*

✓ **Reserves**

All reserves and reserve movements were reviewed and agreed to schedules provided.

The level of general fund was tested to see if it fell in the generally accepted range between 3 and 12 months expenditure and is adequate.

*Satisfactory. No issues.*

✓ **Annual Return and Year End Accounts**

All totals for the Annual Return were checked back to the ledgers and other records. There is discrepancy of £96 on the system which is usually caused by a system date error that should correct itself automatically in 2016-17. It was noted that the year end closedown had not run

properly in a previous report. The Annual Return draft totals were adjusted to agree to the balance sheet by increasing box 6 by that amount.

All figures in the accounts were checked for consistency with information gathered during in year testing.

*Satisfactory. No issues.*

*Ken Abraham*

*Electronically Signed*

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

### Annual return for the year ended 31 March 2016

Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising 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 Sections 1 and 2 of this annual return no later than 30 June 2016.

#### 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 2016, 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 or public display of Sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2016.

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 Practitioners' Guides that can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.slcc.co.uk](http://www.slcc.co.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

For a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014

## Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of  
smaller authority here:

LISKEARD TOWN

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 the 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 the 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 'shareholders' 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:

\_\_\_\_\_

called \_\_\_\_\_

Signed by:

Chair

dated

Signed by:

Clerk

dated

\_\_\_\_\_  
10/5/2016  
\_\_\_\_\_  
10/5/2016

\*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:

Liskeard Town

	Year ending		Notes and guidance Please round all figures to nearest £1. Do not leave any boxes blank and report 0/0 or Nil balances. All figures must agree to underlying financial records.
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	394,095	431,215	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	292,485	381,620	Total amount of precept or (for IDRs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	175,579	146,852	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	188,688	199,243	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	0	0	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	242,256	250,469	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	431,215	509,976	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	420,083	486,031	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	7,892,420	7,892,420	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	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including P.W.B).
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 assessed receipts and payments, as the case may be.

Signed by Responsible Financial Officer

*Joseph Viera*

Date 10/5/2016

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

*[Signature]*

and recorded as minute reference:

Signed by Chair of the meeting approving these accounting statements

Date 10/5/2016

### 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:

USKEARD TOWN

#### 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.

(continue on a separate sheet if required)

External auditor signature

External auditor name

Date

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](http://www.nao.org.uk))

## Annual internal audit report 2015/16 to

Enter name of  
smaller authority here:

Liskeard Town 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 obligations, 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 prompt 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.	✓		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:

South Devon Internal Audit  
Ken Abraham

Signature of person who carried out the internal audit:

*Ken Abraham*

Date: 22/4/16

\*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 2015/16 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 work by the auditor. NALC, SLCC and ADA 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 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 initialled and explanation provided. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs. **Smaller authorities must approve the annual governance statement before approving the accounts.**
3. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the 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 tell the external auditor about 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 smaller authority 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 2 on page 3**). 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 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 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. **From 2016 onwards, you must inform the auditor of the date set for the commencement of the period for the exercise of public rights.**
8. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2015) equals the balance brought forward in the current year (Box 1 of 2016).
9. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – NB: answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	
	All additional information requested, including the dates set for the period for the exercise of public rights, has been provided for the external auditor?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2016 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 a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	

\*Note: Practitioners' Guides are available from your local NALC, SLCC or ADA representatives or from [www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.gov.uk](http://www.slcc.gov.uk) or [www.ada.org.uk](http://www.ada.org.uk)