

✓ Recd AKC
14/08/15
+40

Local Councils in England

Annual return for the financial year ended 31 March 2015

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 2015.

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 2015, 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 their work. Therefore, unless requested, do not send any original financial records to the external auditor.

Once the auditor has completed their work, 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 annual return, including the external auditor's report, by 30 September 2015.

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' Guide for local councils that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk

DB4071

Section 1 – Accounting statements 2014/15 for

Enter name of reporting body here:

DALBURY LEES 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	5318	7173	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	2304	1501602	Total amount of precept received or receivable in the year. Excludes any grants received.
3 (+) Total other receipts	3348	748	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	418	550	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 council's borrowings (if any).
6 (-) All other payments	3381	5458	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	7171	3513	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	7173	3513	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	0	0	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	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Disclosure note 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

SDFreeman

Date 22 07 2015

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

22 07 2015

and recorded as minute reference:

[Signature]

Signed by Chair of the meeting approving these accounting statements.

[Signature]

Date 22 07 2015

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of:

DALBURY LEES PARISH

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.	Yes	no	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

dated 22 07 15

Signed by:

Chair

dated 22 07 2015

Signed by:

Clerk

dated 22 07 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 3 – External auditor certificate and report 2014/15

Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Audit Commission Act 1998 as transitionally saved, for the year ended 31 March 2015 in respect of:

Council/Meeting

DALBURY LEE PARISH

Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2015; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to review the annual return in accordance with guidance issued by the Audit Commission (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).

SEE ATTACHED

(continue on a separate sheet if required)

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

SEE ATTACHED

(continue on a separate sheet if required)

External auditor signature

Mark Heap

External auditor name

Mark Heap for Grant Thornton UK LLP

Date

24 September 2015

Note: The Audit Commission issued guidance in its Standing Guidance, which is applicable to external auditors' work on 2014/15 accounts.

Section 4 – Annual internal audit report 2014/15 to

DALBURY LEES 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.	Yes		
B The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			No Petty Cash
G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	Yes		
H Asset and investments registers were complete and accurate and properly maintained.	Yes		
I Periodic and year-end bank account reconciliations were properly carried out.	Yes		
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.	Yes		
K Trust funds (including charitable) The council met its responsibilities as a trustee.			Yes No Not applicable

No V 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:

The status of the Allocation Account has not been verified to date.

Name of person who carried out the internal audit **BRIAN WOOD DMA.**

Signature of person who carried out the internal audit *[Signature]* Date **20.7.2015**

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 green boxes have been completed?	
All sections	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.	
Section 2	For any statement to which the response is 'no', an explanation is provided?	
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



This page is part of Section 3 - External auditor certificate and opinion 2014/15

Dalbury Lees Parish Council
Audit Report for the year ended 31 March 2015

Matters reported

Late Approval

The Accounts and Audit (England) Regulations 2011 require that local councils approve Section 1 of the Annual Return by 30th June 2015 following the year ended 31 March 2015.

Dalbury Lees Parish Council has not complied with this requirement

Bank Reconciliation

Councils are required to provide for audit, a bank reconciliation statement that supports the figures in boxes 7 and 8.

The bank reconciliation statement provided by the Council covers the Council's current account only and equates to £3,181; the value in box 7 and 8 is £3,513, the difference is £332. The Council also manages an Allotment account which for the last three years has had a balance of around £330. The status of this account is uncertain.

We have been unable to confirm the balance reported at boxes 7 and 8.

Trust funds statement

In section 1 the Council has answered 'No' to the Trust funds statement, thereby confirming it is not a trustee.

In the Annual Internal Audit Report, section 4 of the Annual Return, the internal auditor has commented that the status of the Allotment Account has not yet been resolved. In 2014 the Internal Auditor recommended that the Council resolve the status of this account.

The Council has not responded appropriately to the report of the internal auditor.



Grant Thornton

This page is part of Section 3 - External auditor certificate and opinion 2014/15

**Dalbury Lees Parish Council
Audit Report for the year ended 31 March 2015**

Section 2 Not Completed

The Council has not answered any of the questions in Section 2 Annual Governance Statement. Notwithstanding our findings above, the clerk has confirmed that the answers to question 1-8 should be YES.

**Other matters not affecting our opinion which we wish to draw to the attention
of Dalbury Lees Parish Council for the year ended 31 March 2015**

Incorrect precept

Council Tax Support Grant of £102 had been incorrectly included in Box 2.

The correct figures are: 2014/15

Box 2 – annual precept £1,500

Box 3 – all other income £848

Mark R. Lee

for Grant Thornton UK LLP

Date *29 September 2015*

Our ref DBY071

Steve Freeborn

56

DE53LD

25/11/15

Dear Margaret,

With apologies to you and the council for the delay, but enclosed please find the return etc from the external auditors.

Grant Thornton (GT) has made written comments in their Audit Report, which on the face of it might seem to be a problem. However my explanations / responses are below.

Late approval

GT have noted DLPC did not comply with the regulations requiring audited accounts etc to be signed off by 30th June 2015. Yes we were late but that is because of the difficulty we had actually forming a council, and GT were kept fully informed of the situation in Dalbury Lees at each stage (see emails).

Bank reconciliation

GT state they are unable to confirm the balance reported at boxes 7 and 8. In the text they say there is a difference of £332, and also that there is an Allotment Account with around £330. (Note they have got confused with the Money Manager account which at year end had £331.67 in it; the Allotment Account had £6,475.37p!) See the attached year end balances.

The instructions on the Annual Return form are very clear one has to total up balances and reserves which is what I did. $3181 + 332 = 3513$

Everything was fully cross-referenced and checked in the internal audit - cheques, invoices, cash-flow and bank statements etc.

Trust funds statement

GT have rightly pointed out that the internal auditor's recommendation of the previous year to resolve the status of the Allotment Account had not been done. I did report this at the AGM in July. *I was always told by the previous council that this money actually does not belong to the council per se, but is instead a fund that is linked to the allotments and grazing land. All these assets have a history which I never knew or understood.*

To resolve it, I suggest a starting point would be to talk to the former Chair, Jackie Drake or perhaps Rodney Pateman who does the DL Digest - their email addresses will be in the system.

Other matters

I do not know how one can know of the level of Council Tax Support Grant. It is not paid to the council as an individual free-standing payment. It is rolled up into the precept as shown in the cash-flow and bank statements.

Well that's everything. You know where I am if you anything need further.

With regards



LPC Accounts and Balances Year End 2014.15

Receipts & Payments Summary

Start of year balance	6841.67
Plus total receipts	<u>2348.15</u>
	9189.82
Less total payments	<u>6008</u>
Balance at end of £ year	3181.82

Bank Current Account

Balance at 31.03.2015	4286.69
Less unrepresented cheques	<u>1104.87</u>
	3181.82

Bank Money Manager Account

Balance at start of year	331.43
Plus receipts	<u>0.24</u>
	331.67

Bank Allotments Account

Balance at start of year	5791.37
Plus receipts	<u>684.3</u>
	6475.37

DLPC Cashbook 2014.15

Date	Payment	Cheque	Payee	Service	Debit	Credit	Balance
			Opening Balance				6841.67
31.03.14	Debit	462	DLMHT	Rent	20		6821.67
31.03.14	Debit	463	G McCulloch	Grounds work	150		6671.67
31.03.14	Debit	464	DALC	Annual Subs	61.42		6610.25
31.03.14	Debit	465	DLMHT	Grant for H&S	361.92		6248.33
31.03.14	Debit	466	S Freeborn	Clerk (4 mths)	160		6088.33
31.03.14	Debit	467	HMRC	PAYE	40		6048.33
28.05.14	Debit	468	Community Lincs	Insurance	243.71		5804.62
28.05.14	Debit	469	SDDC	Grit bin refill	72		5732.62
28.05.14	Debit	470	Premier Gdns	Grounds Mtce	81.84		5650.78
28.05.14	Debit	471	Premier Gdns	Grounds Mtce	216		5434.78
29.05.14	Credit		SDDC	Precept (part)		852	6286.78
29.05.14	Credit		Western Power	Wayleave		12.75	6299.53
23.06.14	Debit	472	G McCulloch	Grounds Mtce	80		6219.53
23.06.14	Debit	473	Premier Gdns	Grounds Mtce	81.84		6137.69
23.06.14	Debit	474	Premier Gdns	Grounds Mtce	36		6101.69
23.06.14	Debit	475	S Freeborn	Clerk (3 mths)	200		5901.69
24.06.14	Credit		DCC	Footpaths		385	6286.69
18.08.14	Debit	476	DLMHT	Rent	35		6251.69
18.08.14	Debit	477	G McCulloch	Grounds Mtce	230		6021.69
18.08.14	Debit	478	B Wood	Internal Audit	50		5971.69
18.08.14	Debit	479	Premier Gdns	Grounds Mtce	187.68		5784.01
18.08.14	Debit	480	S Freeborn	Repay mirror	331.2		5482.81
18.08.14	Credit		SDDC	Precept (final part)		750	6202.81
13.08.14	Debit	481	DLMHT	Rent	10		6192.81
13.10.14	Debit	482	Premier Gdns	Grounds Mtce	81.84		6110.97
13.10.14	Debit	483	Premier Gdns	Grounds Mtce	81.84		6029.13
13.10.14	Debit	484	G McCulloch	Grounds Mtce	120		5909.13
13.10.14	Debit	485	DLMHT	Rent	15		5894.13
24.11.14	Debit	487	TecniBlock Ltd	Paving by green	576		5318.13
24.11.14	Debit	488	G McCulloch	Grounds Mtce	292		5026.13
24.11.14	Debit	489	Premier Gdns	Grounds Mtce	81.84		4944.29
24.11.14	Debit	490	DLMHT	Rent	20		4924.29
03.02.15	Debit	491	Church	Restoration Grant	800		4124.29
03.02.15	Debit	492	ICO	Data registration	35		4089.29
03.02.15	Debit	493	Premier Gdns	Grounds Mtce	81.84		4007.45
03.02.15	Debit	494	DLMHT	Rent	12		3995.45
09.03.15	Debit	495	G McCulloch	Grounds work	576		3419.45
09.03.15	Debit	496	S Freeborn	Clerk	150		3269.45
09.03.15	Debit	497	DALC	Annual Subs	102.03		3167.42
09.03.15	Debit	498	DLMHT	Rent	24		3143.42
09.03.15	Debit	499	DLMHT	Grant	310		2833.42
09.03.15	Credit		HMRC	VAT rebate		348.4	3181.82
					6008	2348.15	3181.82