

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

KEMPSFORD 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:

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dated

19/04/16

Signed by:

Chair

[Signature]

dated

19th APRIL 2016

Signed by:

Clerk

[Signature]

dated

19/04/16

*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:

KEMPSFORD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	35,278	36,016	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	17,738	19,697	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	782	34,355	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	5,358	5,255	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 smaller authority's borrowings (if any).
6. (-) All other payments	12,424	11,716	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	36,016	73,097	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	35,753	72,931	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	36,060	36,060	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 19/04/16

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

19/04/16

and recorded as minute reference:

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Signed by Chair of the meeting approving these accounting statements.



Date 19th APRIL 2016

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

KEMPSFORD 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 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 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.	Yes	No	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 KIM BEDFORD

Signature of person who carried out the internal audit KB Bedford Date 16.05.16

*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).

Section 5

BANK RECONCILIATION YEAR ENDED 31 MARCH 2016

LOCAL AUTHORITY NAME KEMPSFORD PARISH COUNCIL

COUNTY GLOUCESTERSHIRE

		£
A	Balance on the bank statement at 31 March 2016 (taken from bank statement)	73,397 - 39
	Outstanding items	
B	Less unpresented cheques (to agree with attached list)	466 - 04
C	Plus uncleared payments into bank (to agree with attached list)	—
D	Petty cash	
	Plus any petty cash balance held at 31 March 2016	—
E	Balance in the cash book (Authority's own records) at 31 March 2016 (Calculated as A-B+C+D=E and agrees with Box 8 on the Annual Return)	72,931 - 35

Section 5

c) Explanations of significant variances on the Accounting Statements

We require explanations for significant variances (increases or decreases) of more than 15% between 2015 and 2016 in Boxes 2, 3, 4, 5, 6 and 9. Variances of less than 15% or less than £250 need not be explained.

Your explanations must be quantified, i.e. state how much of the variance is covered by each specific explanation. Your explanations must ensure that the variances for each Box are explained and quantified to within 15%.

Guidance is available at paragraph 6 on the back of the 2016 Annual Return and in the *Practitioners' Guide* – available on line at the NALC website.

You can set out your explanations of variances in any way you wish, but they should be clear and complete and easy to follow.

Our suggested method of how to identify variances that require explanation, and suggested layout for providing explanations are set out below and on page 12.

Identifying which variances require explanation

Positive and negative variances must be explained

Box on Section 2	2015 £	2016 £	Variance Increase (+) or decrease (-) (2016 less 2015) £	% (Variance divided by 2015 figure multiplied by 100)	Explanation required? Less than £250? - NO Less than 15% - NO More than 15% - YES
Box 2 Precept or Rates or Levies	17738	19697	1959	11.0%	NO
Box 3 Total other receipts	782	34355	33573	4293%	YES
Box 4 Staff costs	5358	5255	(103)	1.9%	NO
Box 5 Loan interest/ capital repayments	-	-	-		
Box 6 All other payments	12424	11716	(708)	5.7%	NO
Box 9 Total fixed assets plus long term investments and assets	36060	36060	-		NO

Section 5

c) Explanations of significant variances on the Accounting Statements - continued

Suggested layout for explanations

One sheet to be prepared for **each variance** that requires explanation.

BOX NO3.....	£
Figure in 2016 column	34,355
Figure in 2015 column	782
Variance (2016 figure less 2015 figure) A positive figure is an increase, a negative figure is a decrease	33573

Reasons (as many as are applicable)	Amount £
Reason 1 SECTION 106 FUNDING FROM HOUSING DEVELOPMENT	33,458
Reason 2	
Reason 3	
Reason 4	
Unexplained	115
Confirm unexplained amount is less than 15% of 2015 figure	YES

Council Tax Support Grant (Applies only to Parish Councils and Meetings)

The Council Tax Support Grant, if received, is paid over at the same time as the Precept. Please note that **only the Precept should be recorded in Box 2 (Precept or Rates and Levies)** on the Annual Return.

Council Tax Support Grant must be included in Box 3 (Total other receipts).

The Council Tax Support Grant, if paid, may be annotated separately on the documentation sent to the Council by the District/Borough Council when the payments are made. If it is not you will need to contact your District/Borough Council to find out how much Council Tax Support Grant has been paid for 2015/16.

Section 5

d) Reconciliation between Boxes 7 and 8 on Section 2 of the Annual Return

It is only necessary to reconcile Boxes 7 and 8 if they are different.

Boxes 7 and 8 will be different if the Authority uses income and expenditure accounting and there are debtors and/or creditors at 31 March 2016.

If the Authority uses receipts and payments accounting Boxes 7 and 8 will be equal and there is no need to provide a reconciliation between Boxes 7 and 8.

It is helpful if the reconciliation between Boxes 7 and 8 is set out and submitted to us on the attached schedule.

LOCAL AUTHORITY NAME KEMPSFORD PARISH COUNCIL

COUNTY GLOUCESTERSHIRE

RECONCILIATION BETWEEN BOXES 7 AND 8 ON THE ANNUAL RETURN

		£
A	Figure in Box 8 of 2016 column of the Annual Return	72,931
B	Less Creditors at 31 March 2016 (please supply a detailed list of creditors)	
C	Plus Debtors at 31 March 2016 (please supply a detailed list of debtors) HMRC VAT RECOVERABLE 140.32 PAYE TAX RECOVERABLE 25.40 <u>165.72</u>	166
D	Figure in Box 7 of 2016 column of the Annual Return (A-B+C=D)	73,097

Section 5
Information required for audit

e) Explanations for "No's" on Section 1 - the Annual Governance Statement

If the Authority responds "no" to any of the 9 assertions on Section 1 of the Annual Return, you must supply us with an explanation and describe how the Authority will address the weaknesses identified.

Assertion (1 to 9)	Explanation for "No" response

f) Explanations for "No's" or "Not covered's" on the Annual internal audit report

If the response to any of the 11 internal control objective conclusions A to K on the Annual internal audit report is "no", the internal auditor must provide the Authority and us with details of the implications and action being taken to address any weaknesses in control identified.

If the response is "not covered" the Authority and/or internal auditor must tell us when the most recent internal audit work was done in this area and when it is next planned or, if coverage is not required, the internal auditor must tell us why not.

Conclusion (A to K)	Explanation for "No" or "Not covered"

g) Details of any earmarked or restricted reserves held by the Authority at 31 March 2016

Earmarked reserves are reserves set aside by the Authority for specific purposes or savings for future projects. Restricted reserves are reserves that can only be used for certain purposes, for example the proceeds of an asset sale or the unspent part of a specific grant.

Amount held at 31 March 2016 £	Purpose of reserve
3,500	TRANSFER OF EQUIPMENT / CLOSURE OF PLAY AREA
750	FUTURE MAINTENANCE OF MUGA / NEW PLAY AREA
20,000	VILLAGE HALL MAINTENANCE
33,458	SIOG FUNDING FOR IMPROVED COMMUNITY FACILITIES