

# Local Councils in England

## Annual return for the financial year ended 31 March 2014

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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 2014.

### **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 2014, 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 audit. Therefore, unless requested, do not send any original financial records to the external auditor.

Audited and 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 audited annual return by 30 September 2014.

It should not be necessary for you to contact the external auditor or the Audit Commission directly 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](http://www.nalc.gov.uk) or from [www.slcc.co.uk](http://www.slcc.co.uk)

# Section 1 – Accounting statements 2013/14 for

Enter name of reporting body here: **NORTH HORSHAM 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 2013 £	31 March 2014 £									
1 Balances brought forward	321,513	345,163	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	288,106	267,040	Total amount of precept received or receivable in the year.								
3 (+) Total other receipts	176,505	200,677	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.								
4 (-) Staff costs	223,194	246,104	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	16,445	15,652	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).								
6 (-) All other payments	201,622	234,362	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	345,163	316,762	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	352,611	300,782	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	1,678,212	1,346,701	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	120,192	110,577	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).								
11 Disclosure note	<table border="1"> <thead> <tr> <th>yes</th> <th>no</th> <th>yes</th> <th>no</th> </tr> </thead> <tbody> <tr> <td></td> <td>X</td> <td></td> <td>X</td> </tr> </tbody> </table>		yes	no	yes	no		X		X	The council acts as sole trustee for and is responsible for managing trust funds or assets. The figures in the accounting statements above do not include any trust transactions.
yes	no	yes	no								
	X		X								
Trust funds (including charitable)											

I certify that for the year ended 31 March 2014 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



Date **26/06/2014**

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

**26/06/2014**

and recorded as minute reference:

**FC/033/14 (6)**

Signed by Chair of the meeting approving these accounting statements.



Date **26-6-14**

## Section 2 – Annual governance statement 2013/14

We acknowledge as the members of:

NORTH HORSHAM 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 2014, 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.	X		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.	X		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.	X		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.	X		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.	X		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.	X		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.	X		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.	X		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	NA
		X	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

FC/033/14 (2)  
dated 26/06/2014

Signed by:

Chair AC Gub

dated 26-6-14

Signed by: [Signature]  
Clerk

dated 26/06/2014

\*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 opinion 2013/14

## Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2014 of

NORTH HORSHAM PARISH

Council/Meeting

### Respective responsibilities of the council and the auditor

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

- summarises the accounting records for the year ended 31 March 2014; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

### External auditor report

~~(Except for the matters reported below)\*~~ on the basis of our review, 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 council:

(continue on a separate sheet if required)

External auditor signature

*Prof Littlejohn WP*

External auditor name

PKF Littlejohn LLP

Date

23 September 2014

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled Statement of Responsibilities of Auditors and of Audited Small Bodies.

# Section 4 – Annual internal audit report 2013/14 to

NORTH HORSHAM PARISH Council/Meeting

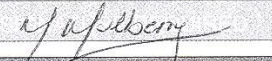
The council's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2014.

Internal audit has been carried out in accordance with the council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the council.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.	✓		
B The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	✓		
H Asset and investments registers were complete and accurate and properly maintained.	✓		
I Periodic and year-end bank account reconciliations were properly carried out.	✓		
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	✓		
K Trust funds (including charitable) The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by the council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit MARK MULBERRY BA(Hons) FCA CTA

Signature of person who carried out the internal audit  Date 19/05/2014

\*Note: 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).

NORTH HORSHAM PARISH COUNCIL					
SECTION 1	2012/2013	2013/2014	VARIANCE	VARIANCE	EXPLANATION
	£	£	£	%	
Box 2	288,106	267,040	-21,066	-7%	
<i>Precept</i>					
Box 3	176,505	200,677	24,172	14%	
<i>Other Receipts</i>					
Box 4	223,194	246,104	22,910	10%	
<i>Staff Costs</i>					
Box 5	16,145	15,652	-493	-3%	
<i>Loans etc.</i>					
Box 6	201,622	234,362	32,740	16%	See below
<i>Other Payments</i>					
Box 9	Re-stated	Restated			
<i>Assets</i>	1,678,212	1,346,701	-331,511	-19%	See below
Box 10	120,192	110,577	9,615	8	
<i>Borrowings</i>					
<b>BOX 6 - OTHER PAYMENTS</b>					
Additional expenditure in year -					
1. £5,101 increase in grants made over 2012/2013					
2. Following termination of street lighting maintenance contract, two significant areas of expenditure made - (a) termination of maintenance contract (£1,610) and purchase of a counterbalance (£2,089)					
3. Open Spaces expenditure increased by £7,310 - including information stone (£1,770); seat/litter bin provision (2,260); and purchase of a salt/grit spreader (£946)					
4. A contribution of £33,000 was made to the Repairs and Renewals Reserve					
5. A new Reserve of £25,000 was set up for the local Youth Project					
This expenditure was offset by there being no contribution to the Capital Projects Reserve (£33,000) in 2012/2013 and a decrease in Play Area expenditure (£18,000 in 2012/2013)					
<b>BOX 9 - ASSETS</b>					
Following advice from the Council's internal auditor, the Council's assets have been re-stated. The previous year's assets were overstated by £457,051 (£430,260 for North Heath Hall and £18,766 for Holbrook Tythe Barn), together with various other overstated values.					
There was also an understatement of assets of £114,708 relating to contents of buildings and some assets were not included (£5016)					
Disposals during 2013/2014 totalled £7,706					
Acquisitions during 2013/2014 totalled £13,522					
The Parish Council is now satisfied that this Asset Register is the definitive document					

**NORTH HORSHAM PARISH COUNCIL**

<b>Total of Box 7:</b>	<b>Balances carried forward</b>	£	£
			<b>316,762</b>
<b>Deduct</b>	<b>Debtors</b>		
	Hall Bookings	22,447	
	HMRC (VAT)	2,674	
		<b>25,121</b>	
<b>Deduct</b>	<b>Payments made in advance</b>		
	Website Maintenance	140	
	SALC Publications	17	
	Photocopier Rental	134	
		<b>291</b>	
<b>Total deductions</b>			<b>25,412</b>
<b>Add</b>	<b>Creditors</b>		
	Water Rates	402	
	Gas and Electricity	5,080	
	External Audit Fees 2013/2014	1,000	
	Internal Audit Fees 2013/2014	175	
	Street Lighting Supply	75	
	Vinyl Flooring - RMH	2,700	
		<b>9,432</b>	
<b>Add</b>	<b>Receipts in advance</b>		
		<b>0</b>	
<b>Total additions</b>			<b>9,432</b>
<b>Total of Box 8</b>	<b>Total Cash and Investments</b>		<b>300,782</b>