

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

Annual return for the year ended 31 March 2017

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 Section 1 and Section 2 in order and in accordance with the requirements of the Accounts and Audit Regulations 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 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 2017, 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 and public display of Sections 1, 2 and 3. You must publish and display the annual return, including the external auditor's report, by 30 September 2017.

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 that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from 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 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

BETCHWORTH 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 2017, 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	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
		NA	

This annual governance statement is approved by this smaller authority on:

05/06/2017

and recorded as minute reference:

92 June 2017

Signed by Chair at meeting where approval is given:

Juke Hardy

Clerk:

Nora Hallett

*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 2016/17 for

Enter name of smaller authority here:

BETCHWORTH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	24941	26958	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	10,770	11,900	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	10224	20935	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	7125	9245	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	11,852	24741	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	26958	25807	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	26958	25807	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	19,269	28,162	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	0	0.	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 2017 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:
Marian Hallett
 Date 05/06/2017

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

05/06/2017
 and recorded as minute reference:
93 JUNE 2017
 Signed by Chair at meeting where approval is given:
Julie Hardy

Section 3 – External auditor report and certificate

In respect of:

Enter name of
smaller authority here:

BETCHWORTH PARISH COUNCIL

1. 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 2017; 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.

2. 2016/17 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 other matters have come to our attention giving cause for concern that relevant legislative 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)

3. 2016/17 External auditor certificate

We certify/do not 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 2017.

* We do not certify completion because:

External auditor signature

External auditor name

Date

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

BETHWORTH 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 2017.

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 ✓
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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

CHRISTINE BRAYWOOD

Signature of person who carried out the internal audit

Christine Braywood

Date

19-5-17

*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 2016/17 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 unexplained or unapproved amendments may be returned and incur additional costs.
3. **Smaller authorities must approve Section 1 on page 2 before approving Section 2 on page 3.**
4. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness and accuracy before sending it to the external auditor.
5. 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.
6. 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*.
7. 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 a complete numerical and narrative analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide* to assist you.
8. 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.
9. **You must inform the external auditor of the date set for the commencement of the period for the exercise of public rights.**
10. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2016) equals the balance brought forward in the current year (Box 1 of 2017).
11. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – 'No' 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 2017 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: The Practitioners' Guide is available from your local NALC, SLCC or ADA representatives or from www.nalc.gov.uk or www.slcc.co.uk or www.ada.org.uk.

BETCHWORTH PARISH COUNCIL

(Notes to accompany the Annual Return for the year 2016/2017)

- 1 **Balance Brought Forward (Box 1)**
Agrees with Balance Carried Forward from 2015/2016 Box 17
- 2 **Precept or Rates and Levies (Box 2)**
Precept rose by just over 9% to cover Clerks costs, salary and increase in hours to 15 hours/2 days per week.
- 3 **Total Other Receipts (Box 3)**
Increased by 36%. Betchworth Parish Council received a grant of £6065 from MVDC to contribute towards play area and equipment which was subsequently successfully installed, and an environmental improvement grant of £1700.
In addition, income from the Burial Ground increased by nearly 45% from £5355 in 2015/16 to £9720 for 2016/17. £105.00 allotment rent for 2017/18 was received prior to the 2016/17 year end. The purchase of a printer from the Parish Council for £25 a litter pick (£30) and a refund from SSEW of £138.08 following the installation of a water pipe. A Tax rebate (new Clerk commenced in October 2016) from HMRC of £432.00 was received.
- 4 **Staff Costs (Box 4)**
Staff costs increased by 23%, accounting for the increase in Clerk's hours from 1.75 days/week to 2 days/week to provide an annual salary of £7695. In October the Clerk resigned and a new Clerk appointed with a handover and dual working period of approx. 2 months in Nov/Dec 2016 thus increasing salary outgoings by £1097. Note for 2017/2018 salary increase to £12 per hour from 1 April 2017.
- 5 **Loan Interest/Capital Repayments (Box 5)**
The Council continues to have no borrowings.
- 6 **All Other Payments (Box 6)**
Total expenditure increased from last year by 52% predominantly because significant capital works projects which were delayed and carried over from 15/16 were completed in 16/17 as planned. The two projects carried over from the previous year were the installation of new play equipment (£9065) and a new water supply to burial ground/allotments (£2884). The village also part-funded defibrillator cabinet and equipment (£992).
- 7 **Balances Carried Forward (Box 7)**
This is a 4% decrease on previous year's balance, reflecting the expenditure of grant money received and capital works (Burial Ground water supply and play provision) completed.
- 8 **Total Value of Cash & S/T Investments**
This agrees with Box 7 as there are no creditors and debtors this year.

9 Total Fixed Assets (Box 9)

Total Fixed Assets increased by 32% to recognise value of new play equipment as well as defibrillator equipment.

10 Total Borrowings (Box 10)

The Council has no borrowings from third parties.

BETCHWORTH PARISH COUNCIL

INCOME & EXPENDITURE 2016/17

INCOME	2015/16		2016/17
	£		£
	10770.00	Precept	11900.00
	1944.00	Council Tax Support Grant & Concurrent Grant	2543.00
	13.15	Bank Interest	11.95
	5355.00	Burials	9720.00
	212.50	Allotments	270.00
	344.50	Miscellaneous	625.08
	2355.00	Other Grants	7765.28
	<u>20994.15</u>		<u>32835.31</u>
EXPENDITURE	£		£
	8727.9	General Administration	11340.44
	702.52	S137	441.46
	3962.28	Burial Ground	4451.08
	3229.13	Parks & Open Spaces	3210.07
	2355	Capital Works:	
		Play provision	9064.63
		New Water Supply	<u>2883.61</u>
			11948.24
		Special Projects	2595.24
	<u>18976.83</u>		<u>33986.53</u>
	2017.32	Excess of Income over Expenditure	-1151.22

This income and expenditure account has been prepared from the books and records of the Parish Council, and I hereby certify that they are in accordance therewith.



Mrs C E Braidwood FCA

19-5-17

BETCHWORTH PARISH COUNCIL

INCOME & EXPENDITURE 2016/17

RECONCILIATION STATEMENT 2016/17

	£	£	£
Balances in hand as at 31/3/2017:			
HSBC Current Account			3330.38
Less Uncleared Cheques			
Plus uncleared credit (VAT)			912.5
HSBC Reserve Account			21563.78
			<u>25806.66</u>
Receipts and Payments			
Balance at 1st April 2016	26957.88		
Plus Income	32835.31		
		59793.19	
Less Expenditure		33986.53	
			<u>25806.66</u>

Historic Record

	Balance carried forward	Excess I/E	New Bal carried forward	Bank Balance
2009/10	17318	-529.02	26730	16788.92
2010/11	16789	7281.54	29790	24070.46
2011/12	24070	2659.73	29790	26730.19
2012/13	26730	0	26730	29790.02
2013/14	29790	-4288.3	25502	25501.72
2014/15	25502	-561.16	24941	24941.00
2015/2016	24941	2017.32	26957.88	26957.88
2016/2017	26957.88	-1151.22	25806.66	25806.66
2017/2018	25806.66			

Figures on Annual return

TO BE SUBMITTED TO BDO LLP WITH THE ANNUAL RETURN AND SUPPORTING INFORMATION

NAME OF SMALLER AUTHORITY:	BETCHWORTH PARISH COUNCIL
DATE INSPECTION PERIOD COMMENCED:	8 TH JUNE 2017

Please note this information must be provided to the auditor in accordance with the Accounts and Audit Regulations 2015. If this is not confirmed we may charge an additional fee in obtaining the information.

IMPORTANT TIPS

DOs

- The inspection period must be for a period of 30 (thirty) working days.
- It must include the first 10 working days of July.
- The earliest the inspection period can commence is Monday 5 June
- The latest the inspection period can commence is Monday 3 July
- The inspection period must start the day after the notice, approved section 1 and approved section 2 are published on your website (parish meetings must publish it somewhere conspicuous).

DONTs

- The inspection period should not be commencing before the annual governance statement and accounting statements are approved
- The inspection period should not be commencing on a date on or after 4 July

APPENDIX 5

Betchworth Parish Council PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS ACCOUNTS FOR THE YEAR ENDED 31 March 2017

Local Audit And Accountability Act 2014
Accounts and Audit Regulations 2015 (SI 2015/234)

Betchworth Parish Council's annual return needs to be reviewed by an external auditor appointed by Public Sector Audit Appointments Limited. Any person interested has the right to inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers and receipts and other documents relating to those records or documents.

These documents for Betchworth Parish Council are to be made available on reasonable notice by application between the hours of 9am and 5pm on working days (excluding public holidays).

Commencing on 08 June 2017
And
Ending on 19 July 2017

If you wish to view them then please contact the named smaller authority representative:

Name MARION HALLETT
Position in Smaller Authority CLERK
Address WEST COTTAGE
OLD ROAD
BETCHWORTH
RH3 7DS
Phone number 07858 617253

Local electors and their representatives have rights to question the auditor about the accounts and object to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. The auditor can be contacted at the address below for this purpose during the inspection period which commences on **08 June 2017** and ends on **19 July 2017**.

The smaller authority's annual return is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice.

The appointed auditor of Betchworth Parish Council is:

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL
Telephone: 023 8088 1941

Monday 5 Sept '16

(268) Councillor Hardy suggested in future that Betchworth could have a single person from the community who looked after the website and email communication. This could also include liaison with the Church and the parish magazine as well as BERT in future. Councillors will consider this idea. District Councillor Potter left the meeting.

12. FINANCE

(269) Councillors noted VAT refund for Apr-July 2016 received for £2,037.72

(270) Councillors noted refund from SESW for £138.08 overpayment of Goulburn Green water supply

(271) Councillors noted receipt of Burial Ground income - £1200 (M.W. Denton burial), £130 (G. Hill memorial), £200 donation from Pam Hersey

(272) Councillors noted receipt of external auditor certificate and report of issues arising for 2015/16, which have been posted on the website.

(273) Monthly Financial Summary – councillors noted the current financial position.

(274) Councillors approved the following accounts for Payment:

1.	Adria Kinloch (Clerk's salary & expenses)	£	664.27
2.	Surrey Estate Management Ltd.	£	889.20
3.	The Hamilton Room	£	35.00
4.	Sutton & East Surrey Water	£	23.91
5.	Braidwood & Company (internal audit)	£	204.00
6.	Betchworth Village War Memorial Hall (Heartstart course)	£	51.00
7.	Roger Archer (taps at Burial Ground)	£	115.00
8.	Ken Webb (repair to bench)	£	20.00
9.	BDO (external audit)	£	120.00
10.	Derek and Jacquie Wright	£	500.00

13. ANY OTHER BUSINESS

(275) County Councillor Clack provided an update on Gatwick second runway threat, advising that a government announcement is expected on 10th October. There are many West London MPs in the Cabinet now which may affect decision. A Gatwick Diamond Infrastructure Study has been undertaken to provide an overview of potential future development with and without a second runway and the infrastructure needed to support that growth. GACC is expected to comment.

Since the new trial started in May the worst of Route 4 noise has now moved south of Leigh. A group of local county councillors and MPs are banding together to demand a return to 2012 conditions with noise dispersal. County Councillor Clack left the meeting.

(276) Keys for the Goulburn Green water supply have now been given to Footpaths Officer and Councillor Hardy as well as Councillor Wilson. Councillor Hardy will ask Councillor Edwards to take one and a long stopcock kerb keys as she lives next to the Green. Footpaths Officer also has long stopcock kerb key. Clerk to put information on the website.

John Hardy