

Local Councils in Wales Annual Return for the Year Ended 31 March 2015

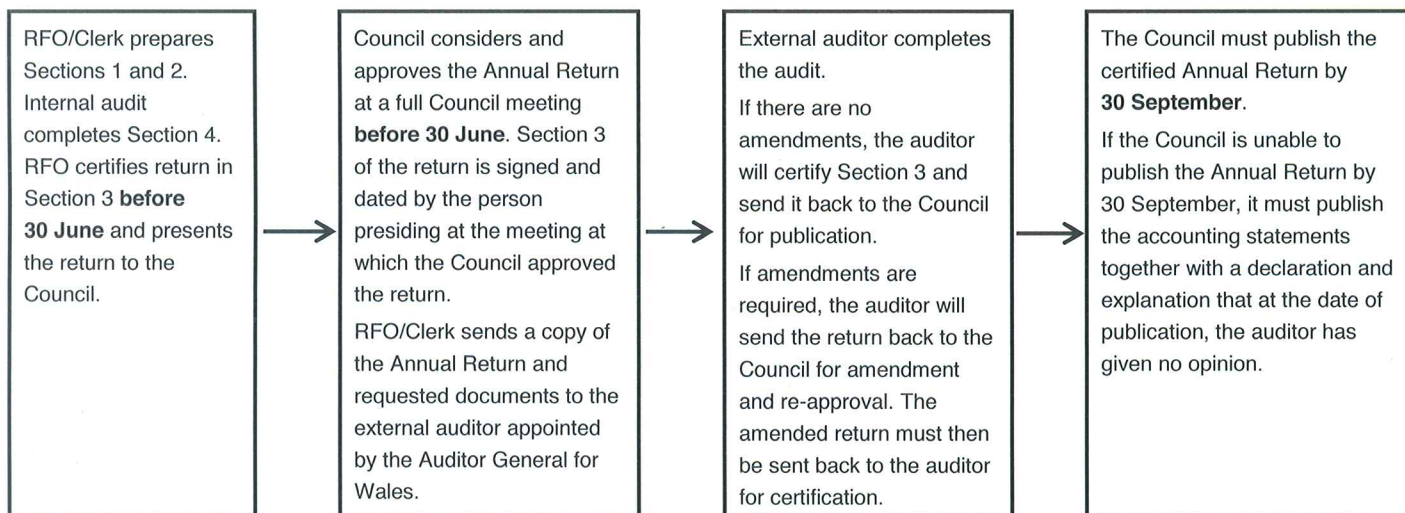
Local councils in Wales (town councils and community councils) and their joint committees must make up accounts each year. To achieve this, they may use this Annual Return summarising their annual activities at the completion of the financial year.

Please complete all sections highlighted in pink. Incomplete or incorrect returns may require additional external audit work and incur additional costs.

Further guidance is included in Section 5 and in the One Voice Wales/SLCC Guidance publication *Governance and accountability for local councils in Wales – A Practitioners' Guide (2011)* (the Practitioners' Guide). Section 2 includes references to where the guide has further information.

In December 2014, the Welsh Government made new Accounts and Audit (Wales) Regulations. These 2014 regulations make changes to the audit process. The Council must now formally approve the return and certify Section 3 before the return is sent to the auditor. The Council must approve the Annual Return by 30 June. Unless the Annual Return needs to be amended, the auditor will certify the return and send it back to the Council for publication with no further Council approval required.

The accounts approval and audit arrangements follow the process as set out below.



Your appointed external auditor will advise you what additional information you need to send in order for them to undertake the audit.

Please send the original Annual Return (ie, not a photocopy), together with any additional information requested, to your appointed external auditor by the date specified by the auditor. Unless requested, please **do not** send any original financial records to the external auditor.

Audited and certified returns are sent back to the Council for publication or display of Sections 1, 2 and 3.

Section 1 – Accounting statements for:

INSERT COUNCIL NAME

	Year ending		Notes and guidance for compilers				
	31 March 2014 (£)	31 March 2015 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the Council's underlying financial records for the relevant year.				
1. Balances brought forward	66,019	79,922	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to Line 7 of the previous year.				
2. (+) Annual precept	116,664	111,350	Total amount of precept income received in the year.				
3. (+) Total other receipts	171,923	1,966	Total income or receipts recorded in the cashbook minus the precept. Includes support, discretionary and revenue grants.				
4. (-) Staff costs	14,757	14,246	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 related expenses.				
5. (-) Loan interest/capital repayments	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the Council's borrowing (if any).				
6. (-) Total other payments	105,927	138,713	Total expenditure or payments as recorded in the cashbook minus staff costs (Line 4) and loan interest/capital repayments (Line 5).				
7. (=) Balances carried forward	79,922	40,279	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).				
8. (+) Debtors and stock balances	NIL	NIL	Income and expenditure accounts only: Enter the value of debts owed to and stock balances held at the year-end.				
9. (+) Total cash and investments	79,922	40,279	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.				
10. (-) Creditors	NIL	NIL	Income and expenditure accounts only: Enter the value of monies owed by the Council (except borrowing) at the year-end.				
11. (=) Balances carried forward	79,922	40,279	Total balances should equal Line 7 above: Enter the total of (8+9-10).				
12. Total fixed assets and long-term assets	22,230	29,200	The recorded current book value at 31 March of all fixed assets owned by the Council and any other long-term assets – eg, loans to third parties, other investments to be held for the long term ie, more than 12 months.				
13. Total borrowing	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).				
14. Trust funds disclosure note	Yes	No	N/A	Yes	No	N/A	The Council acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).

Section 2 – Annual Governance Statement

We acknowledge as the members of the 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 Council's accounting statements for the year ended 31 March 2015, that:

	Agreed?		'YES' means that the Council:	PG Chap.
	Yes	No*		
1. We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and proper practices.	✓		Prepared its accounting statements in the way prescribed by law.	6, 12
2. We have 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.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Council to conduct its business or on its finances.	✓		Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	✓		Has given all persons interested the opportunity to inspect and ask questions about the Council's accounts.	6, 23
5. We have carried out an assessment of the risks facing the Council and taken 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 in the operation of the Council and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the Council's accounting records and control systems throughout the year and have received a report from the internal auditor.	✓		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the Council.	6, 8
7. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	✓		Has responded to matters brought to its attention by internal and external audit.	6, 8, 23
8. We have 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 on the accounting statements.	✓		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
9. Trust funds – in our capacity as trustee we have: <ul style="list-style-type: none"> Discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 			Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

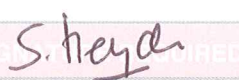
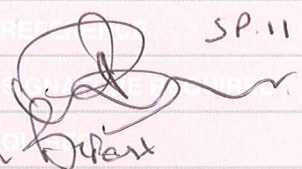
* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Section 3 – Certification and approval

Council approval and certification following the audit

The Council is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of an Annual Return which:

- summarises the Council’s accounting records for the year ended 31 March 2015; and
- confirms and provides assurance on those matters that are important to the external auditor’s responsibilities.

Certification by the RFO Certificate under Regulation 8 Accounts and Audit (Wales) Regulations 2014 (Regulation 15(1)) I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2015.	Approval by the Council Approval of accounting statements under Regulation 15(2) Accounts and Audit (Wales) Regulations 2014 and the Annual Governance Statement I confirm that these accounting statements and Annual Governance Statement were approved by the Council under council minute reference: <small>INSERT MINUTE REFERENCE</small> SP.11.15
RFO signature: 	Chair signature: 
Name: NAME <u>SP11E HODON</u>	Name: <u>PETER DUFFIN</u>
Date: DD/MM <u>30 JUNE 2015</u>	Date: DD/MM <u>30 June 2015</u>

External Audit Certificate

The external auditor conducts the audit in accordance with guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met. We certify that we have completed the audit of the Annual Return for the year ended 31 March 2015 of:

Council

External auditor’s report

[Except for the matters reported below]* On the basis of our review, in our opinion, the information contained 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.

[[These matters along with]* Other matters not affecting our opinion which we draw to the attention of the Council/meeting are included in our report to the Council dated _____.]

(* Delete as appropriate)

External auditor’s signature:	
External auditor’s name:	Date:

Section 4 – Annual internal audit report to:

MUMBLE'S COMMUNITY COUNCIL

The Council's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2015.

The 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 the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

	Agreed?			
	Yes	No*	N/A	Not covered**
1. Appropriate books of account have been properly kept throughout the year.	✓			
2. The Council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓			
3. The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓			
4. The annual precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	✓			
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓			
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	✓			
7. Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	✓			
8. Asset and investment registers were complete and accurate, and properly maintained.	✓			
9. Periodic and year-end bank account reconciliations were properly carried out.	✓			
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	✓			
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			✓	

For any risk areas identified by the Council (list any other risk areas below or on separate sheets if needed) adequate controls existed:	Agreed?			
	Yes	No*	N/A	Not covered**
13.			✓	
14.			✓	

* 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).

** 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.

Name of person who carried out the internal audit: <i>VIVIAN LYN NEWELLYN</i>
Signature of person who carried out the internal audit: <i>V.L. Newellyn</i>
Date: <i>21/06/2015</i>

Section 5 – Guidance notes on completing the 2015 Annual Return

1. **Please note the changes to the accounts approval and audit process for this year. These are described on the front cover of this Annual Return.**
2. For guidance please read the Practitioners' Guide (*Governance and accountability for local councils: A Practitioners' Guide 2011 (Wales)*) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
3. **The Wales Audit Office Good Practice Exchange (www.wao.gov.uk/good-practice/finance/community-council-money) provides further information on the accounts and audit process along with guidance on governance matters.**
4. Please make sure that all sections are completed (ie, no empty pink boxes) by the appropriate person and the certificates in Section 3 are properly signed and dated. Avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are properly initialled and an explanation for them is provided to the auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited.
5. Use the checklist provided below. Use a second pair of eyes, perhaps your internal auditor or the Chair, to review your Annual Return for completeness before sending a copy to the auditor.
6. Make sure that the copy of the bank reconciliation you send to your auditor with the copy Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your council holds any investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to Line 9 in Section 1. More help on bank reconciliation is available in the Practitioners' Guide*.
7. Please **explain fully** any significant variances in the accounting statements. The auditor wants to know that **you** understand the reasons for the change. Please include a relevant and quantified analysis as shown in the Practitioners' Guide examples and not just a copy of your detailed accounts.
8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful. Please ensure that you enclose all the information that the auditor has asked for. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances this may incur additional costs for which the auditor is entitled to charge additional fees.
9. Please make sure that Section 1 adds up! Also please ensure that the balance carried forward from the previous year (Line 7 of 2014) equals the balance brought forward in the current year (Line 1 of 2015).
10. **Do not complete the External Audit Certificate in Section 3.** The external auditor completes this after the external audit work has been completed.
11. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit to the Council.

Completion checklist – 'No' answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		Yes	No
Accounts	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	✓	
	Does the bank reconciliation as at 31 March 2015 agree to Line 9?	✓	
Approval	Has the RFO certified Section 3 (Regulation 15 (1)) no later than 30 June 2015?	✓	
	Has the Council approved the accounting statements before 30 June 2015 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?	✓	
All sections	Have all pink boxes in Sections 1 and 2 been completed and explanations provided where needed?	✓	
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.		

If accounts are amended after receipt of external auditor's report on matters arising		Yes	No
Accounts	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Council's approval of the amendments before re-submission to the auditor?		

Bank Reconciliation

Mumbles Community Council

Financial Year ending 31 March 2015

Prepared by Steve Heydon, Clerk to the Council 7 June 2015

Balance per bank statement as at 31 March 2015					
Current Account				31,661.39	
Deposit Account				25,170.23	
					£56,831.62
Less Un-presented Cheques					
2635	£200.00	3079	£43.34		
2859	£40.55	3087	£4,500.00		
2929	£50.00	3089	£43.34		
2940	£12.00	3107	£100.00		
3025	£100.00	3108	£100.00		
3029	£43.34	3112	£3,000.00		
3030	£39.50	3113	£2,560.00		
3046	£43.34	3114	£1,800.00		
3056	£26.23	3115	£1,800.00		
3058	£60.00	3116	£1,250.00		
3062	£43.34	3118	£43.34		
3074	£500.00	3119	£154.48		
Un-presented cheques as at 31 March 2015					£16,552.80
Un-banked Cash as at 31 March 2015				0.00	£0.00
Net Balances as at 31 March 2015					£40,278.82
Opening Balance 1 April 2015					£79,922.06
Add: Receipts in the year					£113,316.24
Less: Payments in the year					£152,959.48
Closing Balance per receipts and payments account as at 31 March 2015					£40,278.82

MUMBLES COMMUNITY COUNCIL: EXPLANATION OF VARIANCES

Section 1	2013/14	2014/15	Variance (+/-) £	Detailed Explanation of variance (with amounts £)
Box 2 Annual Precept	116,664	111,350	5,314	-
Box 3 Other receipts	17,923	1,966	15,957	£16,898 VAT was claimed and received in 2013/14. Although VAT was claimed in 2014/15 it was not paid until after the end of the financial year. We received grants worth £500 in 2013/14 and £1,500 in 2014//15.
Box 4 Staff Costs	14,757	14,246	511	-
Box 5 Loan interest/ Capital repayments	NIL	NIL	N/A	N/A
Box 6 Other Payments	105,927	138,713	32,786	2014/15 saw an increase in budgets for a number of key committees – F&GP (Grants) up £10,000, Development (Amenities) up £17,000 and Highways up £13,000. Although Community Planning's budget fell by £5,000.
Box 7 Balances carried forward	79,922	40,279	39,643	There was a large amount of money being carried forward - £80,000 from the previous year. We carry a contingency of £24,000. Thus leaving a surplus of £56,000. Hence we were able to increase the budget by £36,000 this year, despite our income being £20,000 less.

MUMBLES COMMUNITY COUNCIL: EXPLANATION OF VARIANCES

					The large surplus was due to projects being budgeted for, but not completed in the financial year. We have worked hard this year and driving those projects through more quickly and hence this year, the surplus being carried forward this year is £16,000. The breakdown of this is as follows: Community Planning £4,800, Provision of amenities - £7,200, Events - £2,900, Highways projects - £3,300. An under spend of 18,200. However, we overspent our general fund by £2,500.
Box 8 <i>Debtors</i>	NIL	NIL	N/A	N/A	
Box 10 <i>Creditors</i>	NIL	NIL	N/A	N/A	
Box 12 <i>Fixed assets & long term assets</i>	21,230	29,200	7970		Christmas Lights increased by £5,010. Added items were- iPads - £2,750, and Projector & Screen - £210
Box 13 <i>Total borrowing</i>	NIL	NIL	N/A	N/A	

ASSET- REGISTER

	Item	Insurance Value @ 31 st March 2015
		£
1.	Conference Tables x 5	850
2.	Conference Chairs x 25	1000
3.	Desk	180
4.	Desk Chair	60
5.	Computer Table	100
6.	Shelving Unit	80
7.	Wall Heaters	200
8.	Carpet	400
9.	Answer phone etc	100
10.	Photocopier	1600
11	Computer	800
12	A3 Colour Printer	270
13.	Christmas Lights	20,600
14.	iPads	2,750
15.	Projector & Screen	210
	Total	29,200

Council name: MUMBLES COMMUNITY COUNCIL**Confirmation regarding the exercise of electors' rights**

Please advise the auditor if it is necessary to change the appointed date. (See section 4 of the covering letter.)

The appointed date specified by the auditor, 31 July 2015, has been amended to __/__/2015

Signed: _____ Date: _____

Position held: _____

Confirmation of contact details

Please can you confirm the contact details for the Clerk, RFO (if not the clerk) and Chairman, to assist us in ensuring that our records are up to date:

Clerk's name: <u>STEVE HEYDON</u>	RFO's name (if not clerk)	Chair's name
Address: <u>COUNCIL OFFICES</u> <u>WALTON CRESCENT</u> <u>MUMBLES</u> <u>SWANSEA</u> <u>SA3 4BB</u>	Address:	Address:
Telephone: Home: <u> / </u> Work: <u>01792 363598</u>	Telephone: Home: Work:	Telephone: Home: Work:
e-mail: <u>COUNCIL @ MUMBLES.</u> <u>GOV.UK</u>	e-mail:	e-mail:

Please return this form in the envelope provided, together with the Annual Return and other information requested.