

Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual return for the year ended 31 March 2016

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 Sections 1 and 2 of this annual return no later than 30 June 2016.

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 2016, 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 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 2016.

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' Guides 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 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

BIRCHWOOD TOWN 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.	YES		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.	YES		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.	YES		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.	YES		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.	YES		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.	YES		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.	YES		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.	YES		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:

123/16-17
dated 28/06/16

Signed by:

Chair

dated

Signed by:

Clerk

dated

28/06/2016

28/06/16

*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:

BIRCHWOOD TOWN COUNCIL

	Year ending		Notes and guidance				
	31 March 2015 £	31 March 2016 £					
1. Balances brought forward	231901	282398	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	329874	337796	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.				
3. (+) Total other receipts	4120	4689	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	187126	187526	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	26070	25310	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).				
6. (-) All other payments	70301	137323	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	282398	274724	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	277341	273372	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	521300	521300	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	200,000	184000	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)	<table border="1"> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td></td> <td>✓</td> </tr> </table>		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.
Yes	No						
	✓						

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

[Redacted Signature]

Date: 06/06/2016

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

28/06/2016

and recorded as minute reference:

123/16-17

Signed by Chair of the meeting approving these accounting statements

[Redacted Signature]

Date: 28/06/2016

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

BIRCHWOOD TOWN 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 JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit [REDACTED] Date 06/06/2016

*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).

BIRCHWOOD TOWN COUNCIL

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 2016

PREVIOUS YEAR
31.03.2015
£

INCOME

CURRENT YEAR
31.03.2016
£

329,874.00
627.28
3,493.59

Precept
Bank Interest
Letting and Other

337,796.00
721.42
3,968.00

333,994.87

Total Income

342,485.42

2014/2015

EXPENDITURE

2015/2016

5,274.32
76,089.06
50,387.65
5,263.56
16,889.82
1,000.00
nil
34,983.02
5,500.00
2,800.00
26,070.00
55,375.89
278.44
nil
3,812.30
1,500.00
1,273.76

Caretaker's Wages
Maintenance Officer Wages (4.75 fte)
Administrative Officer Wages (3)
General Rates/gas/electric/water
Insurance/subs/fees/car tax
Civic
Newsletter
Town Council Revenue/PCSO
Recreation Scheme
Grants
Public Works Loan Board
Inland Revenue - Tax/NII/Pension Payments
Bank Charges
Parkers Farm Estate
Election Fees
Less Cash Advances
Plus Cash Purchases (Ex. VAT)

6,231.41
76,595.32
51,288.66
5,196.26
16,980.92
1,000.00
nil
45,976.18
65,000.00
2,908.41
25,310.00
53,410.56
415.40
nil
nil
1,000.00
846.25

283,497.82

350,159.37

2014/2015

GENERAL FUND

2015/2016

231,901.04
333,994.87

Balance at 1st April
Add Income

282,398.09
342,485.42

565,895.91

624,883.51

283,497.82

Deduct Total Expenditure

350,159.37

132,398.09
£ 150,000.00

Balance as at 31st March - Co-op A/C
Plus balance in Barclays A/C 31st March

124,724.14
£ 150,000.00

£ 282,398.09

£ 274,724.14

Signed Business and Finance Officer



Date

6th June 2016

Signed Chairman



Date

21st June 2016

BIRCHWOOD TOWN COUNCIL
BALANCE SHEET AS AT 31/03/2016

	£
A) LONG TERM ASSETS	
1. Investments	0.00
2. Long term debtors	0.00
B) CURRENT ASSETS	
3. Stocks and stores	0.00
4. Debtors (VAT)	1,893.24
Debtors other	0.00
5. Payments in advance	1,693.76
6. Temporary lending (investments)	0.00
7. Cash in hand (debit balance of R&P account) •	273,372.19
C) TOTAL ASSETS (A+B)	276,959.19
D) CURRENT LIABILITIES	
8. Creditors	2,235.05
9. Temporary borrowing	0.00
10. Cash overdrawn (Credit balance on R & P account)	0.00
11. Adjustments * see notes to accounts	0.00
	274,724.14
Represented by:	
12. Earmarked Reserves *see notes to accounts (1)	155,000.00
Cash	119,724.14
	274,724.14

NOTES

• Includes £150,000 balance in the Barclays Account

(1)

The balances for March 2016 reflect:

(a) £113,000 earmarked funds towards project costs of the Recreation and Community Development Fund.

(b) £15,000 earmarked funds towards general equipment in the near future

i.e. replacement maintenance equipment/office supplies and computer equipment.

(c) £27,000 Election fees fund.

(d) £119,724.14 Working balances.

The above statement represents fairly the financial position of the Town Council as at 31st March 2016 and reflects its income and expenditure during the year.

Responsible Financial Officer



Chairman of the Council




BIRCHWOOD TOWN COUNCIL

INCOME AND EXPENDITURE ANALYSIS AND BANK RECONCILIATION
1ST APRIL 2015 - 31ST MARCH 2016

INCOME AND EXPENDITURE ANALYSIS
RECEIPTS AND PAYMENTS FORMAT

Expenditure	
01.04.2015 to 31.03.2016	£353,645.96
Less petty cash advances	-£1,000.00
Plus petty cash purchases (inc VAT)	£948.97
Less funds transferred to Barclays Bank Account	NIL
Total Expenditure	<u>£353,594.93</u>
Balances c/f 31.03.2016	<u>£273,372.19</u>
Total Income*	<u>£ 626,967.12</u>

*(Including balances b/forward, precept payment and other income received.)

I certify that the foregoing entries are correct, true and accurate

Business and Finance Officer

Chair of the Council

* Includes £102.72 VAT in petty cash

BANK ACCOUNT RECONCILIATION STATEMENT

Balance c/f 31.03.2016	£273,372.19
Plus	
Total unprinted cheques (0)	
	<u>£273,372.19</u>
Current a/c Co-op Bank	£ 17,716.07
Plus balance in Co-op Bank Deposit Account	£ 105,393.22
Petty Cash in Hand*	£ 262.90
* at 31.03.2016	
Total balances Co-op Bank	<u>£123,372.19</u>
Balance Barclays Bank	<u>£ 150,000.00</u>
Grand Total	<u>£273,372.19</u>

Date 26.04.2016

Date 26.04.2016

DOCUMENT REF A

APPENDIX A

ANNUAL REVIEW OF INTERNAL CONTROLS

Summary of Health and Safety Risk Assessment and Management/Budgetary Control Issues Considered and/or Dealt with During the 2015/2016 Financial Year

- 1 Annual review of Internal Financial Regulations Scheme covering goods ordering, cash receipting, accounts processing controls, payment of accounts, cheque management and VAT recording and claims.
- 2 Continuing monthly submission of Income/Expenditure and Bank Reconciliation to Town Council and Finance Sub-committee.
- 3 BACS wage payment scheme continues with key data entry controls between Clerk and RFO.
- 4 Review Council Standing Orders and Financial Regulations.
- 5 Ongoing daily inspections of locally funded play areas (in partnership with Warrington Borough Council) which carries the Public Liability Insurance.
- 6 Working with Zurich Municipal in 2015/2016; we continue to review all insurance policies and vehicle and buildings cover have been increased or amended where necessary.
Combined policy (with cost savings) improves efficiency of cover on policies covering fire/theft/public liability and fidelity.
- 7 Membership of the Local Council Advisory Service (LCAS) in 2015/2016 allowed access to their service; dedicated to helping Local Councils manage risks, offering up-to-date and accurate risk management advice.
- 8 Monitoring gas boiler maintenance schedule (carbon monoxide warning device fitted in room with boiler). Room not used as an office; only storage.
- 9 All vehicles and premises fire extinguisher systems and signage serviced/validated and replaced where necessary. Fire extinguishers, etc. are checked on an annual basis. The latest check was undertaken by ESI on 27th January 2016.
Signage, emergency lighting and smoke/heat detection devices are installed in the Town Council's premises and are checked on a regular basis by ESI (Contractors). The latest check was undertaken on 27th January 2016.
- 10 All first aid kits are checked on a regular basis by staff and replenished as and when necessary.
- 11 All Maintenance Team Operatives have undergone first aid training, with one being appointed person.
- 12 All Council vehicles undergo regular checks by operatives (see attached sheet).
- 13 Health & Safety Audit carried out in December 2015 by Terrain HR covering general operational risk assessments and the Fire Risk Action Plan for 2015/2016 and 2016/2017.
- 14 Fire Risk Assessment statutory requirements undertaken and documents prepared by professionally retained consultant.

- 15 ESI to verify (14) (also see items 8 and 9).
- 16 Review all employee risk assessments in conjunction with H&S Consultant. Re-issue to employees where necessary. Health and Safety meetings have taken place with employees to discuss risk assessments in more detail. Refreshers take place periodically.
- 17 Review of PPE carried out and new work boots with steel mid sole and toe cap issued. Any other PPE/workwear replaced as and when necessary.
- 18 Operatives are issued with any necessary PPE for their job role, e.g. face masks, overalls, gloves, appropriate hi vis, appropriate footwear, head, face, ear protection, etc.
- 19 Asset Register kept and serial numbers recorded.
- 20 Regular anti-virus and security processes continue for internal computer equipment.
- 21 Continue to offer eyes tests for all relevant employees and make contribution when spectacles are needed.
- 22 Maintenance Operatives undergo periodic HAVS assessment.
- 23 Reduce access to upper floors/stairs due to narrow step treads and low handrail in listed building.
- 24 Continue to monitor employee absence and carry out return to work health interviews. Make any reasonable adjustments to work if necessary, e.g. light duties.
- 25 Security alarm system maintained regularly and key holding service retained to reduce or eliminate the need for staff to attend out of hours should the alarm be activated.
- 26 Weekly testing of the fire alarm and (from 4th March 2016) emergency lighting. Also fire evacuations are carried out without warning.
- 27 Booking in system for all visitors to Council offices continues.
- 28 Annual Portable Appliance Testing carried out. Any PAT test failures are decommissioned. The latest tests will be (were) undertaken on 25th April 2016.
- 29 Electrical Installation tests carried out as and when required.
- 30 New main fuse board installed by the Electricity Board 26th February 2014 following electrical fault investigation by local contractor MC-ES Electrical Services Ltd.
- 31 Personal attack alarms issued to all staff.
- 32 Introduced procedure and spoke with the Facilities Caretaker regarding lone working.
- 33 Employee training needs are regularly reviewed and training courses scheduled as and when necessary.


26/7/16

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APPENDIX A

BIRCHWOOD TOWN COUNCIL

ANNUAL REVIEW OF INTERNAL CONTROLS 2015/2016

Undertaken at time of Year End Accounts submission
to the Council, prior to external audit presentation

REGULAR OPERATIONAL KEY CONTROLS

- 1 Financial Regulations and Standing Orders
- 2 Independent internal auditor appointment and audit reports to Council
- 3 Monthly submission of all payment transactions and bank reconciliation to Town Council meeting
- 4 Two bank accounts for risk sharing between banks
- 5a Regular reporting of wages values paid each month
- 5b Regular submission of copy bank account statements
- 6 Monthly monitoring of petty cash
- 7 Barriers between Officers for online payments (creations/approvals and account enquiries)
- 8 Regular risk assessments for service delivery and operational tasks
- 9 Annual asset review and valuation
- 10 Formal precept assessment meetings and Council final decision
- 11 Periodic internal financial/service strategy issues
- 12 Regular VAT reclaims
- 13 Annual asset identification
- 14a Specialist Health and Safety support including fire safety audit
- 14b Specialist HR consultants
- 15 Annual listing of all Health and Safety /risk assessment issues