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:

HEMYOCK 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:

			Agre	eed	Yes'
F	1. We have put in place arrangement of	Ye	3	No*	means that this smaller authority:
	financial management during the year, and for the preparation of the accounting statements.	1	1		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
	 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. 	V	1		made proper arrangements and accepted responsibility for safeguarding the public money
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.	exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	/	1		during the year gave all persons interested the opportunity to inspect and ask questions about
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.	/			this authority's accounts. considered the financial and other risks it faces and has dealt with them properly.
	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
	We took appropriate action on all matters raised in reports from internal and external audit.	V			meet the needs of this smaller authority. responded to matters brought to its attention by
	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.	/			internal and external audit. disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
	(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 on:

7 6 2017

and recorded as minute reference:

901.

Signed by Chair at meeting where approval is given:

Renther A. Sallard.

Clerk:

Evang

*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:

HEMYOCK PARISH COUNCIL.

		Year	ending	Notes and guidance	
		31 March 2016 £	31 March 2017 £	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.	
1.	Balances brought forward	142620	177526.	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	62300.	73487.	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.	
3.	(+) Total other receipts	14415	62034	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	0633.	9364	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employee and employers), pension contributions and employment expenses	
5.	(-) Loan interest/capital repayments	-	-	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).	
6.	(-) All other payments	35188	Total expenditure or payments as recorded in the casht costs (line 4) and loan interest/capital repayments (line		
7.	(=) Balances carried forward	177526.	260556	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	177526	The sum of all current and deposit bank accounts, cash ho short term investments held as at 31 March – To agree with reconciliation.		
9.	Total fixed assets plus long term investments and assets	571 043	583,626	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	-	-	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:

	DED12	
Date	6/6/17	

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

7/6/17

and recorded as minute reference:

9.2.

Signed by Chair at meeting where approval is given:

Heatles A. Stalland.

Section 3 – External auditor report and certificate

In respect of:

Enter name of smaller authority here:

COUNCIL HEMYOCK PARISH

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 return is in accordance with proper practices and no other matters have come to our attention giving cause for concern to legislative and regulatory requirements have not been met. (*delete as appropriate).	
(continue on a separate sheet if required)	
Other than 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Other matters not affecting our opinion which we draw to the attention of the smaller authority:	
(continue on a separate sheet if required)	

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 ar ended 31 March 2017

	•
Date	
	Date 6/17 accounts in Auditor Guidance No

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

HEMYOCK 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.

Appropriate accounting records have been kept properly throughout the year.	Yes		THE PERSON NAMED IN COLUMN 2 IS NOT THE OWNER.
Appropriate accounting records have been kept properly throughout the year.		No*	Not covered**
The second secon	/		
This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	1		
This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	/		
The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1		
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	1		
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	/		
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.	1		
Asset and investments registers were complete and accurate and properly maintained.	/		
Periodic and year-end bank account reconciliations were properly carried out.	/		
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.	1		

		-	-	
K.	(For local councils only)	Yes	No	Not applicable
	Trust funds (including charitable) - The council met its responsibilities as a trustee.		22 000	/

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 SANDRA ALDWORTH.

Signature of person who carried out the internal audit S. ALGWOVD. Date 6-6,17

*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

- 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.
- 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.
- 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.
- 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?	1
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?	1
	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.



Key contact details

Schedule A

Please complete this form and send it back to us with the Annual Return to ensure we have the correct details for your authority – please print to ensure we can read it clearly

Authority name and reference	HEMYOCK PARISH COUNCIL
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	Clerk	
Name	DONNA EVANS	
Address	PARK FARM DUNKESWELL HONITON DEVON EX14 4RN	
Telephone no.	01823 680968	
Email address	HEMYOCKPC@GMAIL.COM	

	Responsible Financial Officer (RFO) – if different to Clerk
Name	
Address	
Telephone no.	
Email address	

	Chair
Name	HEATHER STALLARD
Address	CULM PYNE BARTON
	CULM PYNE
	HEMYOCK
	CULLOMPTON
	DEVON
	EX15 3UE
Telephone no.	01823 680237
Email address	HEATHER@CULMPYNE.COM

PTO



Key contact details (continued)

Schedule A

Authority name	HEMYOCK PARISH COUNCIL
and reference	

	Person carrying out the independent internal audit
Name	SANDRA ALDWORTH
Address	SCHOOL HOUSE BATTLE STREET CLAYHIDON CULLOMPTON DEVON EX15 3PL
Telephone no.	07881 923285
Email address	saldworth2@aol.com

If there are any subsequent changes to the above please send us an updated form or e-mail the new details to jofarr@uk.gt.com



Bank reconciliation template

Schedule B

The model can be applied for reconciliations carried out at any time of the year. Please complete all green cells.

BANK RECONCILIATION	FINANCIAL YEAR ENDIN	G 31 MARCH 2017	
Authority name and reference	HEMYO		
Pole (Clerk/REO etc.) CL	ONNA EVANS LERK/RFO	Date:	11/5/17
Approved by: Name Role (RFO/Chair etc)	Varses RFO Vestor d-Stallard (class	Date:	71617-
Balance per bank statements as	s at 31 March 2017	£	TOTAL£
List balances on all bank account March 2017:	its plus petty cash floats at 31		
HSBC CURRENT			13877.73
HSBC DEPOSIT			75009.31
HSBC P3			0
HSBC G/F			0
HSBC LONGMEAD			1.27
UNITY TRUST BANK CURRENT			10.15
UNITY TRUST BANK DEPOSIT			94271.33
UNITY TRUST BANK P3			1582.48
UNITY TRUST BANK G/F			704.29
NATIONWIDE 1 YEAR BOND			75000.00
Less: any un-presented cheque (normally only current account value. Use separate list if need	t. List date, cheque number &		
Add any unbanked cash at 31 (List date & amount received)	March 2017:		
HUGH, MILLS & GAYE INTERM		-1-1-1-1-1-1	100.0
TOTAL - NET BANK BALANCES			260556.5

The net balances reconcile to the Cash Book for the year, as follows:	
CASH BOOK (receipts and payments/income & expenditure schedules)	£
Opening Balance:	177526.35
Add: Receipts in the year:	135506.20
Less: Payments in the year:	52475.99
CLOSING BALANCE PER CASH BOOK @ 31 MARCH 2017 Must equal total net bank balances above and Section 2, Box 8	260556.56



Schedule C1

Identifying which variances require explanation

Positive and negative variances must be explained

Authority name and reference					
Box on Section 2 Accounting Statements	(a) 2016 £	(b) 2017 £	(c) Variance Increase(+) or decrease(-) (b - a) £	(d) Variance divided by 2016 figure times 100 (c / a *100) %	Explanation required? Less than £250 or 15%? - NO More than 15%? - YES
Box 2 -Precept or Rates and Levies	62302	73482	+11180	17.9	YES
Box 3 -Total other receipts	14415	62024	+47609	330.3	YES
Box 4 -Staff costs	6623	9364	+2741	41.4	YES
Box 5 -Loan interest/ capital repayments	0	0	0	0	NO
Box 6 -All other payments	35188	43112	+7924	22.5	YES
Box 9 -Total fixed assets plus long-term investments and assets	571093	583626	+12533	+2.2	NO
Box 10 – Total borrowings	0	0	0	0	NO



Schedule C2

Suggested layout for explanations of individual variances

Authority name and reference	HEMYOCK PARISH COUNCIL	
BOX NO	2	£
(b) Figure in 2017 column		73482
(a) Figure in 2016 column		62302
(d) Total variance: 2017 fi A positive figure is an inco a negative figure is a decr	gure less 2016 figure: (b - a) rease (+) rease (-)	+11180

Reasons (as many as are applicable)	Amount £
Reason 1 PRECEPT INCREASED DUE TO FUTURE ADDITIONAL SERVICES BEING TAKEN ON BY THE PARISH (CAR PARK, TOILETS, GRASS CUTTING)	11180
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	11180
(f) Unexplained amount £ of total variance at (d - e)	0
Unexplained as % of 2016 figure (f / a *100) (must be below 15%)	0
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	YES

Suggested layout for explanations of individual variances

Authority name and reference	HEMYOCK PARISH COUNCIL	
BOX NO	3	£
(b) Figure in 2017 column		62024
(a) Figure in 2016 column		14415
(d) Total variance: 2017 figure A positive figure is an increase a negative figure is a decrease	ase (+)	+47609

Reasons (as many as are applicable)	Amount £
Reason 1 Sold off some land	+33933
Reason 2 Collected fund raising for defibrillators	+8599
Reason 3 Received grant for vehicle activated sign and works to wall	+8871
Reason 4 VAT reclaim not received until 17/18	-2670
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	48733
(f) Unexplained amount £ of total variance at (d - e)	1124
Unexplained as % of 2016 figure (f / a *100) (must be below 15%)	7.8
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	YES

Suggested layout for explanations of individual variances

Authority name and reference	HEMYOCK PARISH COUNCIL	
BOX NO	4	£
(b) Figure in 2017 column		9364
(a) Figure in 2016 column		6623
(d) Total variance: 2017 figur A positive figure is an increas a negative figure is a decreas	se (+)	+2741

Reasons (as many as are applicable)	
Reason 1 PAY RISE AND PROMOTION FOR CLERK ON SUCCESSFULLY OBTAINING CILCA QUALIFICATION.	2741
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	2741
(f) Unexplained amount £ of total variance at (d - e)	0
Unexplained as % of 2016 figure (f / a *100) (must be below 15%)	0
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	YES

Suggested layout for explanations of individual variances

Authority name and reference	HEMYOCK PARISH COUNCIL	
BOX NO	6	£
(b) Figure in 2017 column		43112
(a) Figure in 2016 column		35188
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		+7924

Reasons (as many as are applicable)	
to be beginning	+463
Reason 1 - Increase in insurance Reason 2- Increase in admin (newsletter)	+401
	+2065
Reason 3 - CiLCA training costs	+860
Reason 4 - Increase in cemetery costs (tree works)	-5427
Reason 5 - No expenditure for wall repair	-1500
Reason 6 - No expenditure for public loos	-3916
2 7 No expenditure on village Pump	
Reason 8 - Increase in expenditure for Longmead, as previous year's grant paid	+6985
early	-200
Reason 9 - No expenditure The Garages	-1214
Reason 10 - No election costs	
Reason 11 - Increase in project work (defibrillators and BMX track)	+10876
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	9393
(f) Unexplained amount £ of total variance at (d - e)	1469
Unexplained as % of 2016 figure (f / a *100)	4.2
(must be below 15%)	
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	YES



Schedule E

Analysis of earmarked reserves

Authority name	HEMYOCK PARISH COUNCIL	
and reference		

Purpose and nature of reserve	Held as short- term or long- term	Amount £
GRIFFITHS FLAY – MONIES HELD FOR GRAVE MAINTENANCE (RESTRICTED)	SHORT-TERM	704
P3 FOOTPATHS – FUTURE FOOTPATH MAINTENANCE (RESTRICTED)	SHORT-TERM	2315
AONB FUTURE ENVIRONMENTAL PROJECT (RESTRICTED)	SHORT-TERM	1033
LONGMEAD ACCOUNT (RESTRICTED)	SHORT-TERM	1
THE GARAGES - GRANT FOR SPECIALIST TRAINING FOR THE YOUTH	SHORT-TERM	958
(RESTRICTED)	SHORT-TERM	15000
PARISH PLAN (EARMARKED)	SHORT-TERM	23000
FUTURE PAVEMENTS (EARMARKED)	SHORT-TERM	4050
VEHICLE ACTIVATED SIGN (RESTRICTED)	SHORT-TERM	2283
DRAINAGE WORKS LONGMEAD - 106 MONIES (RESTRICTED)	SHORT-TERM	
AIR AMBULANCE NIGHT TIME LANDING (RESTRICTED)		10
DEFIBRILLATORS FUND (RESTRICTED)	SHORT-TERM	2446
FUTURE PURCHASE OF LAND - FROM SALE OF LAND (EARMARKED)	SHORT-TERM	28519
FUTURE PROJECTS (EARMARKED)	SHORT-TERM	103235
FUTURE PROJECTS (EARINAINCE)	(a) TOTAL	183554

	£
b) Precept/rates and levies (Accounting Statements Box 2)	73482
c) Balance carried forward (Accounting Statements Box 7)	260556
d) Amount of balances less total earmarked reserves (c - a)	77002
Ratio of balances less earmarked reserves to Precept/rates and levies (d / b)	1.04
Reason if over 3 times or less than 0.1	



Schedule F1

Notification of the date for the commencement of public rights

Authority name and reference	HEMYOCK PARISH COUNCIL	
------------------------------	------------------------	--

I confirm that the dates set for the period of exercise of public rights are as follows:

	Date
Announcement	FRIDAY 9 TH JUNE 2017
Commencement	MONDAY 12 TH JUNE 2017
Ending on	FRIDAY 21 ST JULY 2017

Signed by Clerk/RFO	TCA O
	JOHN 3