

# Section 1 – Accounting statements 2014/15 for

Enter name of reporting body here:

CARDINGTON PARISH

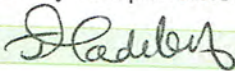
Council/Meeting

Readers should note that throughout this annual return references to a 'local council' or 'council' also relate to a parish meeting.

|  | Year ending        |                    | Notes and guidance  |
|--|--------------------|--------------------|---|
|  | 31 March 2014<br>£ | 31 March 2015<br>£ |   |
| 1 Balances brought forward                                       | 6513               | 7006               | Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.  |
| 2 (+) Annual precept   | 2500               | 3515               | Total amount of precept received or receivable in the year. Excludes any grants received.   |
| 3 (+) Total other receipts                                       | 182                | 2324               | Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.  |
| 4 (-) Staff costs  | 739                | 1788               | 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                           | NIL                | NIL                | Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).  |
| 6 (-) All other payments   | 1450               | 2295 -             | 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                                   | 7006               | 6672               | Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)  |
| 8 Total cash and short term investments                          | 7006               | 6672               | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March - <b>to agree with bank reconciliation.</b>                                |
| 9 Total fixed assets plus other long term investments and assets | £2                 | £2 -               | The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the council as at 31 March   |
| 10 Total borrowings  | NIL                | NIL -              | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).  |
| 11 Disclosure note Trust funds (including charitable)            | yes                | no                 | The council acts as sole trustee for and is responsible for managing trust funds or assets.<br>N.B. The figures in the accounting statements above do not include any trust transactions. |
|  |                    | ✓                  |   |

I certify that for the year ended 31 March 2015 the accounting statements in this annual return present fairly the financial position of the council and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer



Date 5.5.2015

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

05/05/2015

and recorded as minute reference:

106

Signed by Chair of the meeting approving these accounting statements.



Date 5.5.2015

## Section 2 – Annual governance statement 2014/15

We acknowledge as the members of:


CARDINGTON PARISH

Council/Meeting

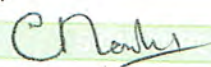
our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2015, that:

|   | Agreed –                            |  | 'Yes' means that the council:  |
|---|-------------------------------------|--|--|
|   | Yes                                 | No*                                    |  |
| 1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.  | <input checked="" type="checkbox"/> |  | prepared its accounting statements in the way prescribed by law.   |
| 2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.  | <input checked="" type="checkbox"/> |  | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.  |
| 3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the council to conduct its business or on its finances. | <input checked="" type="checkbox"/> |  | 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.  | <input checked="" type="checkbox"/> |  | during the year has given all persons interested the opportunity to inspect and ask questions about the council's accounts.  |
| 5 We carried out an assessment of the risks facing the council and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.  | <input checked="" type="checkbox"/> |  | considered the financial and other risks it faces and has dealt with them properly.  |
| 6 We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems.   | <input checked="" type="checkbox"/> |  | arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the council. |
| 7 We took appropriate action on all matters raised in reports from internal and external audit.   | <input checked="" type="checkbox"/> |  | responded to matters brought to its attention by internal and external audit.  |
| 8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council and, where appropriate have included them in the accounting statements.                               | <input checked="" type="checkbox"/> |  | disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.                                |
| 9 Trust funds (including charitable) – in our capacity as the sole managing trustee we discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.                        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> 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 the council and recorded as minute reference

 10d.  
dated 5.5.15

Signed by:

Chair   
dated 5.5.2015

Signed by:

Clerk   
dated 5-5-15

\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the council will address the weaknesses identified.

# Section 4 – Annual internal audit report 2014/15 to

CARDINGTON PARISH

Council/Meeting

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

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

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

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

Name of person who carried out the internal audit JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit JDH Business Services Ltd Date 21/04/2015

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).

Asset Register Cardington Parish Council

|                        |                                   |
|------------------------|-----------------------------------|
| Noticeboard Cardington | £1 installed in the mists of time |
| Noticeboard Plaish     | £1 installed in the mists of time |
| Cemetery               | £1                                |

clerk has records going back to 1879 but no record of how the parish council came to manage part of the church yard.

reviewed 2015.

Budget for Cardington Parish Council for Year Ended 31.3.15

| <b>Income</b> | <b>Y/E 2015</b> | <b>Y/E 2016</b> | <b>Expenditure</b> | <b>Y/E 2015</b> | <b>Y/E2016</b> |
|---------------|-----------------|-----------------|--------------------|-----------------|----------------|
| precept       | 2400            | 3612            | Insurance          | 170             | 170            |
| interest      | 50              | 0               | SALC               | 160             | 170            |
| Reserve       | 6500            | 6500            | Village Hall hire  | 30              | 40             |
| B/F           |                 | 1100            | Audit              | 100             | 100            |
|               |                 |                 | Clerk' Salary      | 1800            | 1900           |
|               |                 |                 | office exp         | 160             | 160            |
|               |                 |                 | information com    | 35              | 35             |
|               |                 |                 | dontaions          | 100             | 100            |
|               |                 |                 | election           | 600             | 600            |
|               |                 |                 | Cemetry            | 360             | 900            |
| <b>Total</b>  | <b>8950</b>     | <b>11212</b>    |                    | <b>3515</b>     | <b>4175</b>    |

This budget will keep the council tax at £18.18 for a band D property equivant.  
 If you wish to keep the amount at £3515 as last year a council tax of £17.69 will be levied  
 a decrease of .49p.

there will be no council tax support grant passed on from Government to parish and town  
 councils by Shropshire Council.

**INTERNAL AUDIT REPORT  
CARDINGTON PARISH COUNCIL  
2014/2015**

The internal audit of Cardington Parish Council was carried out by undertaking the following tests as specified by the Audit Commission on Section 4 of the Annual Return for Local Councils in England and Wales:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

**Conclusion**

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

.....*JDH Business Services Ltd*.....

**JDH Business Services Limited**

**INTERNAL AUDIT REPORT  
CARDINGTON PARISH COUNCIL  
2014/2015**

**ACTION PLAN**

|   | <b>ISSUE</b>  | <b>RECOMMENDATION</b>  | <b>FOLLOW UP</b>  |
|---|---|--|---|
| 1 | The minutes provided for audit had not been signed.   | <i>Original signed minutes should be provided for audit in future.</i>   | <i>Clerk will send copies of signed minutes in future</i>                                   |
| 2 | The clerk received a reimbursement of expenses amounting to £224.80. We have not seen a claim form or supporting receipts.  | <i>Reimbursement of expenses must be supported by receipts.</i>  | <i>Book of Expenses kept</i>  |
| 3 | <p><b>Guidance note for 2015/16</b><br/>An area of potential risk for the Council in 2015/16 is ensuring they meet the requirements of The Pensions Regulator with respect to auto enrolment, or they may face fines.<br/>Even if staff are not eligible to be auto enrolled into a pension scheme, the Council may still have to complete a declaration of compliance.</p> | <p><i>The Council should review this risk if they have not already done so and ensure they meet any requirements of The Pensions Regulator.</i><br/><i>See <a href="http://www.thepensionsregulator.gov.uk">www.thepensionsregulator.gov.uk</a> for further information.</i></p> | <p><i>Registered with pension regulator<br/>No need to pay<br/>clerk paid to little</i></p> |

**INTERNAL AUDIT REPORT  
CARDINGTON PARISH COUNCIL  
2014/2015**

| <b>Follow up of 2013/14 audit recommendations</b> |  |   |                               |
|---|--|---|-------------------------------|
| 1   | The balance on the annual return for staff costs of £591 does not include payments to HMRC. Total staff costs (including HMCR payments) should be £739.  | <i>The annual return should be amended to show staff costs of £739 and total other payments of £1450.</i>   | <b>Implemented</b>            |
| 2   | The last page of each minutes has been signed as approved by the Chair but individual pages have not been initialed.   | <i>Loose leaf minutes should be initialed on each page by the Chair when they are approved.</i>   | <b>See issue 1 this year.</b> |
|   | <b>Guidance note for 2014/15</b><br>Following the repeal of section 150(5) of the Local Government Act 1972 in March 2014, Councils now are not required by law to have cheques or other orders for payment signed by two elected members. | <i>If the Council decide they would like to make any changes to how payments are made it is important that they review the recent guidance issued by SLCC and ensure that any new internal controls meet these requirements.<br/>Any changes to internal controls over payments in light of the repeal will be reviewed in future audits.</i> | <b>Noted</b>                  |



Accounts for Cardington Parish Council for the year ended 31.3.14

| Y/E 2014 Receipts    | Y/E 2015       | Y/E 2014 Payments           | Y/E2015        |
|----------------------|----------------|-----------------------------|----------------|
| 2500.00 Precept      | 3515.00        |                             |                |
| CTSG                 | 76.00          | Village Hall Hire           |                |
| 182.22 VAT Received  | 156.97         | 660.00 Grass Cutting        | 150.00         |
| <b>2682.22 Total</b> | <b>3747.97</b> | 95.00 Audit                 | 78.00          |
|                      |                | 25.00 Website               | 34.97          |
|                      |                | 591.14 Salary               | 1435.22        |
|                      |                | 216.00 Expenses             | 224.80         |
|                      |                | 173.31 Insurance            | 159.00         |
|                      |                | cemetery                    | 161.00         |
|                      |                | British Legion              | 50.00          |
|                      |                | 65.00 VAT Paid              | 156.97         |
|                      |                | 147.60 HMRC                 | 352.40         |
|                      |                | 81.10 SALC                  | 200.93         |
|                      |                | 35.00 ICO                   | 35.00          |
|                      |                | 100.00 Severn Hospice       |                |
|                      |                | Defibrillator box           | 525.00         |
|                      |                | Shropshire Council election | 519.17         |
|                      |                | <b>2189.15 Total</b>        | <b>4082.46</b> |

| Bank Reconciliation 31st March 2015 |          | Bank Balance 31.3.15      |         |
|-------------------------------------|----------|---------------------------|---------|
| Balance B/F                         | 7006.59  | Balance                   | 6515.13 |
| receipts                            | 3747.97  | Plus unrepresented credit | 156.97  |
|                                     | 10754.56 | Total                     | 6672.10 |
| Payments                            | 4082.46  |                           |         |
| Total                               | 6672.10  |                           |         |

*Orak*  
5.5.15.

*A Adeley* 5-5-15.

## Explanation of significant variances in the accounting statements - Section 1

Local council name: CARDINGTON PARISH COUNCIL

The Practitioners' Guide (paragraphs 2.15 to 2.27) provides guidance on explaining significant variances. (This is not just a matter for the audit, as it is good practice for the Council to be provided with explanations for differences between one year's income/expenditure and the next, and between budgeted and actual income/expenditure in a year, as part of the normal budgetary control arrangements and when setting the precept.)

Please explain any variances of more than 15% between the totals for individual boxes in Section 1. We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. We also ask you to explain any change where there is a movement to or from zero. Please either use the proforma below, or complete a separate schedule if more space is required.

| Section 1                                   | 2013/14<br>£ | 2014/15<br>£ | Variance<br>(+/-) £ | Detailed explanation of variance<br>(please include monetary values (to nearest £10))   |
|---|--------------|--------------|---------------------|---|
| Box 2<br>Precept                            | 2500         | 3515         | +1015               | To cover extra staff costs.   |
| Box 3<br>Other income                       | 182          | 234          | +52                 | VAT on extra expenses.  |
| Box 4<br>Staff costs                        | 739          | 1788         | +1049               | Clerk paid to contract for 12 months<br>SLCC/NALC Contract + Salary<br>Scale. Not used prior to current clerk.  |
| Box 5<br>Loan interest/<br>capital          | NIL          | NIL          | NIL                 |   |
| Box 6<br>Other payments                     | 1450         | 2295         | +845                | Purchase of del. mails box 525 for V Hall grant<br>SALC Sub for fuel 12 months 119<br>Copy of cemetery books 161<br><del>remaining in general capital lining 45</del> |
| Box 7<br>Balances carried forward           | 7006         | 6672         | -334                | If some of the year end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown.                                    |
| Box 9<br>Fixed assets &<br>long term assets | £2           | £2           | -                   |   |
| Box 10<br>Total borrowing                   | NIL          | NIL          |                     |   |