

## **Local Councils in England**

### **Annual return for the year ended**

31 March 2008

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**Local councils in England (Parish Meetings, Parish and Town Councils) with an annual turnover of £1 million or less must complete an annual return summarising their annual activities at the end of each financial year.**

The annual return on the following pages is made up of four sections:

- Sections 1 and 2 are to be completed by the person nominated by the council.
- Section 3 will be completed by the external auditor.
- Section 4 is to be completed by the council's internal audit provider.

**The council must ensure this annual return is approved no later than 31 July 2008.**

Please complete all sections highlighted in green. Do **not** leave any green box blank. Incomplete or incorrect returns may require additional external audit work and incur additional costs.

Please send the annual return, together with any additional information requested, to your appointed external auditor.

If required, your auditor will identify and ask for any documents needed for audit. Unless requested, please do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the council for publication or public display of sections 1, 2 and 3.

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

It should not be necessary for councils to contact the external auditor or the Audit Commission directly for guidance.

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## Section 1 – Statement of accounts

ENTER NAME HERE **HAVERHILL TOWN**


COUNCIL/MEETING

In completing the boxes below please explain any significant variances on a separate sheet and send this to the external auditor together with a copy of your bank reconciliation as at 31 March 2008.

	Year ending		Notes and guidance
	31 March 2007 £	31 March 2008 £	
1 Balances brought forward	54,362	181,272	Total balances and reserves at the beginning of the year as recorded in the council's financial records. Value must agree to Box 7 of previous year.
2 (+) Annual precept	441,968	506,157	Total amount of precept received in the year.
3 (+) Total other receipts	481,986	477,169	Total receipts or income as recorded in the cashbook less the precept. Includes support, discretionary and revenue grants.
4 (-) Staff costs	298,095	308,178	Total expenditure or payments made to and on behalf of all council employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) Total other payments	498,950	484,122	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	181,272	372,297	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	242,276	370,557	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 and long term assets	190,010	198,239	The recorded book value at 31 March of all fixed assets owned by the council and any other long term assets e.g. loans to third parties.
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Trust funds disclosure note	YES	YES	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.)

I certify that the statement of accounts 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 2008.

Signed by Responsible Financial Officer

 REQUIRED

Date **24/6/2008**

I confirm that these accounts were approved by the council and recorded as council minute reference **08/09/7 item 11**

Date **24/6/2008**

Signed by Chair of meeting approving council's accounts



Date **24/6/2008**

### Section 3 – External auditor's certificate and opinion

#### Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2008 of

HAVERHILL TOWN COUNCIL COUNCIL MEETING

#### Respective responsibilities of the council and the auditor

The council is responsible for the preparation of the accounts in accordance with the requirements of the Accounts and Audit Regulations and for the preparation of an annual return which:

- summarises the council's accounting records for the year ended 31 March 2008; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

#### 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 the Audit Commission's requirements and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. ~~(\*delete as appropriate)-~~

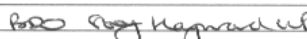
(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the council/meeting:

Please see enclosed report

(continue on a separate sheet if required)

BDO STOY HAYWARD LLP  
SOUTHAMPTON SO14 3TL

External auditor's signature 

External auditor's name **BDO STOY HAYWARD LLP**  
**SOUTHAMPTON SO14 3TL**

Date 27/3/08

**Note:** The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

## Section 4 – Annual internal audit report to

ENTER NAME HERE

HAVERHILL TOWN

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 2008.

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, opposite, are 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? Please choose from one of the following Yes/No*/Not covered**
A Appropriate books of account have been properly kept throughout the year.	YES
B The council's financial regulations have been met, payments were supported by invoices, 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, 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 Year-end accounts were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with cash book, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.	YES
K The council has met its responsibilities as a trustee.	YES

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 H. HEELIS (on behalf of Heelis & Lodge)

Signature of person who carried out the internal audit  Date 28/05/2008

**\*Note:** 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).

## Introduction

The following matters have been raised to draw items to the attention of Haverhill Town Council. These matters came to the attention of BDO Stoy Hayward LLP during the audit of the annual return for the year ended 31 March 2008.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Section 1 does not add up by £1
- Expenditure Powers

The following issues have been raised as there are minor errors on the annual return which we wish to draw to the attention of the Council so they do not occur again in future years.

**Section 1 does not add up by £1**

*What is the issue?*

Section 1 of the Annual Return does not add up by £1. We have assumed this is a rounding error.

*Why has this issue been raised*

Section 1 of the Annual Return and the balance carried forward is incorrectly stated by £1.

*What do we recommend you do?*

The council should ensure in future years that rounding errors are eliminated.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England and Wales - A Practitioners Guide, NALC/OVW/SLCC

**No other matters came to our attention.**

For and on behalf of  
BDO Stoy Hayward LLP

Date: 27 August 2008

The following issues have been raised to assist the Council in improving their internal controls or working practices. The Council is recommended to consider these but is under no statutory obligation to act upon them.

**Expenditure Powers***What is the issue?*

The council does not record the power they are relying upon when making expenditure.

*Why has this issue been raised*

This exposes the council to the risk of making unlawful payments for one-off or unusual items.

*What do we recommend you do?*

The council should consider recording the statutory power being used to authorise expenditure in the minutes, alongside the item to demonstrate that the council has properly followed their standing orders and financial regulations. This is a statutory requirement for any payments made under S137 of the Local Government Act 1972.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England and Wales - A Practitioners Guide, NALC/OVW/SLCC

NALC representative, NALC website - ([www.nalc.gov.uk](http://www.nalc.gov.uk))

Local Council Briefing, Spring 2008, BDOSH