



PETERLEE TOWN COUNCIL

SHOTTON HALL PETERLEE COUNTY DURHAM SR8 2PH
TELEPHONE: (0191) 586 2491 FAX: (0191) 586 0370

INTERNET: <http://www.peterlee.gov.uk>
E-MAIL: clerk@peterlee.gov.uk

Your Ref: 3rd 2015

Our Ref: Mr J Brown
Local Council Team

Date: For BDO
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Dear Mr Brown

Annual Audit for the Year Ending 31st March 2015

I am pleased to enclose the completed Annual Return and Intermediate Audit Questionnaire and supporting documentation for the year ended 31st March 2015 for Peterlee Town Council.

I also enclose for your reference:-

- (a) an explanation of variances
- (b) Statement of Accounts
- (c) A copy of the approved and adopted sickness absence policy

The accounts and return were approved at the last meeting of the council on 15th June 2015. They are not signed yet and shall be confirmed at the next Council meeting on the 20th July 2015. If you require a signed copy of the minutes I can forward them to you after that date.

I hope that this meets with your approval but should you require any further information, please do not hesitate to get in touch.

Yours sincerely

Kay Twedde
Deputy Town Clerk

Peterlee Town Council
Explanation of Variances 31st March 2015

Box	2013/14 £	2014/15 £	Variance £	%	Explanation	
2 Precept	1,097,106	1,150,154	53,048	4.84%	Under 10% no explanation	i
3 other Receipts	1,195,611	984,391	-211,220	-17.67%	Reduction in Precept Support Grant Monies received for the lifting of covenant on Land at ITEC Site in 2013/14 not repeated. Disposal of Assets in Current Year General increases over all income headings	32,018 200,000 17,873 2,925 211,220
4 Staff Costs	987,519	1,004,402	16,883	1.71%	Under 10% no explanation	
5 Loan Interest/ Capital	50,452	50,452	0	0.00%	Under 10% no explanation	
6 Other Payments	902,178	956,578	54,400	6.03%	Under 10% no explanation	
9 Fixed Assets & Long Term Assets	6,106,691	6,122,278	15,587	0.26%	This is a net increase after asset acquisitions of £106,355, less part exchanged removed from the register at cost at £90,768	
10 Borrowings	964,641	1,005,225	40,584	4.21%	The Council purchased 3 Tractors and after initial payments and part exchanges were advanced £47,606 under a Hire Purchase Agreement with John Deere Financial. Payments to commence in 2015/2016 Year.	

Local Councils in England

Annual return for the financial year ended 31 March 2015

Local councils in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their activities at the end of each financial year. In this annual return the term 'local council' includes a Parish Meeting, a Parish Council and a Town Council.

The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the local council.
- Section 3 is completed by the external auditor appointed by the Audit Commission.
- Section 4 is completed by the local council's internal audit provider.

Each council must approve this annual return no later than 30 June 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 sections highlighted in green. Do not leave any green box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2015, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

Your external auditor will identify and ask for any additional documents needed for their work. Therefore, unless requested, do not send any original financial records to the external auditor.

Once the auditor has completed their work, certified annual returns will be returned to the local council 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 2015.

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 for local councils that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk

Section 1 – Accounting statements 2014/15 for

Enter name of reporting body here:

PETERLEE TOWN COUNCIL

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 £	31 March 2015 £	
1 Balances brought forward	642,705	995,272	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	1,097,106	1,150,154	Total amount of precept received or receivable in the year. Excludes any grants received.
3 (+) Total other receipts	1,195,611	984,391	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	(987,519)	(1,004,462)	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	(50,452)	(50,452)	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) All other payments	(902,178)	(956,578)	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	995,272	1,118,385	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	1,041,353	1,183,361	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 other long term investments and assets	6,106,691	6,122,278	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	964,641	1,005,225	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. 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

K Tweedle

Date 15.06.2015

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

15.06.2015

and recorded as minute reference:

39 (i)

Signed by Chair of the meeting approving these accounting statements.

M A Cartwright

Date 15.06.2015

Section 4 – Annual internal audit report 2014/15 to

PETERLEE 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 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.	✓		
B The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual precept 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 council 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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	✓		
K Trust funds (including charitable) The council met its responsibilities as a trustee.			✓

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 GORDON FLETCHER (C.M.I.A)

Signature of person who carried out the internal audit G. Fletcher Date 12/6/15.

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).

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of:

PETERLEE TOWN COUNCIL 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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	yes	no	NA
			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

39 (1)

dated 15.06.2015

Signed by:

Chair MA Dartwright

dated 15.06.2015

Signed by:

Clerk K Tweddle

dated 15.06.2015

*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.