

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:

HARBERTON 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 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.	✓		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.	✓		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.	✓		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 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.	✓		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.	✓		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.	✓		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.	✓		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:

12.2 MINUTE REFERENCE

dated 14/06/2016

Signed by:

Chair G.F. Broom

dated 14th June 2016

Signed by:

Clerk

dated 14/06/2016

*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:

HARBERTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	5306	39550	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	8053	9,396	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	34,369	12,824	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	3271	3,177	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 smaller authority's borrowings (if any).
6. (-) All other payments	4907	12,981	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	39550	45,612	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	39550	45,612	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	73,102	73,102	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	NIL	NIL	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 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

[Signature]
SIGNATURE REQUIRED

Date 14/06/2016 M/YYYY

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

14/06/2016

and recorded as minute reference:

12.22 MINUTE REFERENCE

Signed by Chair of the meeting approving these accounting statements.

G.F. Brown
SIGNATURE REQUIRED

Date 14 June 2016 M/YYYY

3 - External auditor certificate and report
2015/16 Certificate

We 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 year ended 31 March 2016 in respect of:

Enter name of
smaller authority here:

HARBERTON PARISH COUNCIL

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 2016; 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.

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 the annual return is in accordance with proper practices 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 smaller authority:

See attached

(continue on a separate sheet if required)

External auditor signature

Grant Thornton UK LLP

External auditor name

Grant Thornton UK LLP

Date

7/09/16

Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

This page is part of Section 3 - External auditor certificate and opinion 2015/16

**Harberton Parish Council
Audit Report for the year ended 31 March 2016**

**Other matters not affecting our opinion which we wish to draw to the attention
of Harberton Parish Council for the year ended 31 March 2016**

Period for the exercise of public rights

The Local Audit and Accountability Act 2014 (the Act), sections 26 and 27, and the Accounts and Audit Regulations 2015 (the Regulations), sections 14 and 15, set out the requirements for the period for the exercise of public rights of objection, inspection and questioning of the external auditor. In particular section 14(1) of the Regulations stipulates that any rights of objection, inspection and questioning of the external auditor conferred by sections 26 and 27 of the Act may only be exercised within a single period of 30 working days.

The Council published its Notice indicating the period for the exercise of public rights commenced on 15 June 2016 and ended on 27 July 2016. This is more than the 30 working days as required by the Regulations. For any days over those 30 working days, a member of the public would have no formal rights in respect of objection, inspection and questioning of the external auditor.

In the future, the Council must ensure that it complies with the Local Audit and Accountability Act 2014, sections 26 and 27, and the Accounts and Audit Regulations 2015, sections 14 and 15 to ensure that the dates for the exercise of public rights are properly calculated and published and cover a single period of 30 working days. The Council should also consider the impact of this failure on its disclosures in the 2016/17 Annual Return.

Declaration of Status of Accounts

The Accounts and Audit Regulations 2015 states that the period for the exercise of public rights commenced the day following the publication of the Statement of Accounts, the Annual Governance Statement and the notice period announcement. The Council has published the relevant documents following the commencement date of the inspection period. The Council should ensure that in 2016/17 all documents are published in advance of its notice period commencing.

Grant Thornton UK LLP

for Grant Thornton UK LLP

Date 7/09/16.

Our ref DVN178

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

HARBERTON 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 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.			✓

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)

THE COUNCIL DOES NOT MAINTAIN A PETTY CASH

Name of person who carried out the internal audit: KEVIN ROSE ACMA

Signature of person who carried out the internal audit: [Signature] Date: 10/6/2016

*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).

**Harberton Parish Council Annual Return for the financial year ended
31st March 2016**

c) Explanations of significant variances on the Accounting Statements

Box no:	2
Figure in 2015 column	£8,053
Figure in 2016 column	£9,396
Variance (2015 figure less 2016 figure)	-£1,343
Reasons (as many as are applicable)	Amount £
Reason 1: DECREASES IN INCOME – See explanation below	-£69
<i>1.1 Council Tax Support Grant: Decrease</i>	<i>-£69</i>
Reason 2: INCREASES IN INCOME – See explanation below	£350
<i>2.1 VAT: 2015/16 Budget included estimated VAT income</i>	<i>£350</i>
Reason 3: SAVINGS IN BUDGET – See explanation below	-£1,604
<i>3.1 Room Hire Budget Reduced</i>	<i>-£55</i>
<i>3.2 Salary: Decrease due to only one clerk being on payroll</i>	<i>-£719</i>
<i>3.3 Office Expenses: Decrease due to new line items being created</i>	<i>-£400</i>
<i>3.4 Broadband: Decrease in cost to council</i>	<i>-£30</i>
<i>3.5 Computer: No capital item required in 2015/16</i>	<i>-£400</i>
Reason 4: INCREASES TO 2015/16 BUDGET – See explanation below	£4,402
<i>4.1 Subs: Increase due to the Clerk's membership of SLCC and anticipated increase in 2015/16 fees</i>	<i>£140</i>
<i>4.2 Insurance: Increase due to anticipation of inflation</i>	<i>£20</i>
<i>4.3 Salary Overtime: Creation of a new line to take into account clerk's workload</i>	<i>£1,358</i>
<i>4.4 Professional fees: New line item created to separate from general 'Office Expenses'</i>	<i>£370</i>
<i>4.5 Playground Inspections: District Council will bill separately for both parish playgrounds in 2015/16</i>	<i>£164</i>
<i>4.6 Contingency Mower Repairs: Anticipation of requirements to upgrade Parish owned mower</i>	<i>£200</i>
<i>4.7 Neighbourhood Plan: Expansion to budget due to increased Neighbourhood Planning activity in 2015/16</i>	<i>£300</i>
<i>4.8 Training: Increase to budget taking into account expected increase in new councillors in 2015/16</i>	<i>£250</i>
<i>4.9 Elections: New budget line created to prepare for costs of calling an election</i>	<i>£600</i>
<i>4.10 Contingency: New budget line created in 2015/16</i>	<i>£1,000</i>
Reason 5: BALANCING THE BUDGET – See explanation below	-£1,174
<i>5.1 In 2014/15 the budget did not balance</i>	<i>-£1,174</i>
Unexplained	£0
Confirm unexplained amount is less than 15% of 2015 figure	CONFIRMED

Box no:	3
Figure in 2015 column	£34,369
Figure in 2016 column	£12,824
Variance (2015 figure less 2016 figure)	+ £21,545
Reasons (as many as are applicable)	Amount £
Reason 1: A one off payment was received in 2014-15 for a South Hams administered grant for the contribution of a cycle-path.	-£6,825
Reason 2: A one off Community Benefit Fund payment was received in 2014-15 for solar farm development at Hatchlands	-£20,000
Reason 3: A one off grant was received in 2015-16 to support Neighbourhood Planning	+£4963
Reason 4: A one off grant was received in 2015-16 for emergency flood resilience projects	+£225
Unexplained	-£92
Confirm unexplained amount is less than 15% of 2015 figure	Confirmed

Box no:	6
Figure in 2015 column	£4907
Figure in 2016 column	£12,980
Variance (2015 figure less 2016 figure)	-£8073
Reasons (as many as are applicable)	Amount £
Reason 1: Harbertonford Allotment Annual Rent was not paid before 31 st March 2015 and therefore appears in 2015/16 accounts	£500
Reason 2: Meeting room hall hire for 2014/15 was not paid before 31 st March 2015 and so therefore appears in 2015/16 accounts	£86
Reason 3: Broadband costs for 2014/15 were not paid before 31 st March 2015 and so therefore appear in the 2015/16 accounts	£73
Reason 4: Clerk expenses for 2014/15 were not paid until after 31 st March 2015 and so not therefore appear in the 2015/16 accounts	£139
Reason 5: Expenditure relating to consultation around development of the Neighbourhood Plan was incurred in 2015/16	£5,091
Reason 6 A greater number of Community Benefit Fund grants were awarded in 2015/16	£2000
Unexplained	-£184
Confirm unexplained amount is less than 15% of 2015 figure	Confirmed

g) Details of any earmarked or restricted reserves held by the Authority at 31 March 2016

Amount held at 31 March 2015	Purpose of reserve
£31,308	The Community Benefit Fund arises from the contributions from the two solar panel farms operating in the Parish. The fund is not for the general use of the Parish Council, but will be administered by the Parish Council. The 'Harberton Parish Community Benefit Fund' is to be used to support charitable, educational, environmental and/or amenity purposes within the parish of Harberton.
£1357	The Parish Council created a budget line for Parish Clerk Overtime which has not been calculated to date. This figure will be reviewed at the Parish Clerk's annual appraisal, due in May 2016.

Section 5

Bank Reconciliation Year Ended 31st March 2016

A Bank Balance on the bank statement at 31st March 2016 (taken from bank statement)

Current account balance (23/03/16)	£	14,586.55
Savings account balance	£	31,388.92
Total Bank Balance	£	45,975.47

B Less unrepresented cheques

Ch no	Amount	
711	£1.00	
724	£264.60	
725	£15.60	
726	£72.00	
728	£10.00	
Total		£363.20

C Plus uncleared payments into bank

	0	
Total		£0.00

D Plus any petty cash balance held at 31st March 2016

Ref	Amount	
Harberton Playing Field Association Rent	£ 0.20	
Total		£ 0.20
BALANCE		45,612.47



Harberton Parish Council Annual Return 2016

Requirement	Internal Audit Comments	Conclusion
A Appropriate books of account have been properly kept throughout the year.	The Council maintains its accounts using Excel which is commonly used by Councils of a similar size. Generally the accounts were found to be well maintained	YES
B The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	The Council reviewed its financial regulations at a meeting held on 12 th May 2015 Observation: The Council has adopted NALC model financial regulations. These regulations have been updated in January 2016 to address, in particular, the new Public Contracts Regulations Recommendation: The Council should review its financial regulations to take account of the new regulations	YES
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	The Council reviewed risk at a meeting held on 14 th April 2015	YES

Requirement	Internal Audit Comments	Conclusion
<p>D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>The Council set its budget and precept at a meeting held on 13th January 2015</p> <p>The reserves of the Council are relatively high compared to the level of precept however a significant portion of the reserves are held in Community Benefit Fund which has a restriction on use.</p>	<p>YES</p>
<p>E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</p>	<p>The Council is not VAT registered and does not make VATable supplies. The Council has claimed and received a refund in respect of VAT during the year. The Council receives little income other than in form of precept and grants.</p>	<p>YES</p>
<p>F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.</p>	<p>The Council does not maintain a Petty Cash</p>	<p>N/A</p>
<p>G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.</p>	<p>Salary payments to staff were agree to contract of employment. The Council has submitted required PAYE returns to HMRC</p>	<p>YES</p>

Requirement	Internal Audit Comments	Conclusion
<p>H Asset and investments registers were complete and accurate and properly maintained.</p>	<p>Observation: The Council maintains an assets register. It was noted that a number of 'Gifted' items are recorded in the register at Nil value.</p> <p>Recommendation: These items should be included in the register at a nominal value of £1 each.</p>	<p>YES</p>
<p>I Periodic and year-end bank account reconciliations were properly carried out.</p>	<p>The year end bank reconciliation was reviewed and agreed</p>	<p>YES</p>
<p>J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.</p>	<p>The Council reports on a receipts and payments basis which is permitted for a council of this size. Consequently there are no debtors or creditors recorded</p> <p>A test of cashbook transactions to the bank account was undertaken. In all cases it was possible to trace payments to original supporting document.</p>	<p>YES</p>
<p>K Trust funds (including charitable) The council has met its responsibilities as a trustee.</p>	<p>The Council does not act as Trustee</p>	<p>N/A</p>

HARBERTON PARISH COUNCIL

NOTICE OF DATE OF COMMENCEMENT OF PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

**The Accounts and Audit Regulations 2015 (SI 2015 No.234)
The Local Audit and Accountability Act 2014**

NOTICE	NOTES
<p>1. Date of announcement <u>Thursday 5th May 2016</u> (a)</p> <p>2. Sections 26 and 27 of the Local Audit and Accountability Act 2014 provide for:</p> <ul style="list-style-type: none"> Any person interested has the opportunity to inspect and make copies of the Annual Return and all books, deeds, contracts, bills, vouchers and receipts etc. relating to them. For the year ended 31 March 2016 these documents will be available on reasonable notice on application to the person in paragraph 3 below. Local Government Electors and their representatives have rights to: <ul style="list-style-type: none"> question the auditor about the accounts: and object to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Smaller Authority. <p>The auditor can be contacted at the address in paragraph 5 below for this purpose.</p> <p>3. Person to which you can apply to inspect the accounts (b)</p> <p>Name: <u>CAT RADFORD</u></p> <p>Position: <u>PARISH CLERK</u></p> <p>Address: <u>LITTLE CHOLWELL, HARBERTON, TQ9 7RZ</u></p> <p>Tel no: <u>0845 557 8469</u></p> <p>Email: <u>clerk@harbertonparishcouncil.org</u></p> <p>4. Any rights of inspection, objection, and questioning of the auditor may only be exercised within a single period of 30 <u>working</u> days:</p> <p>commencing on (c) <u>Wednesday 15th June</u> 2016</p> <p>and ending on (d) <u>Wednesday 27th July</u> 2016</p> <p>5. Your appointed auditor is:</p> <p>Barrie Morris Grant Thornton UK LLP Hartwell House 55 – 61 Victoria Street Bristol BS1 6FT Tel: 0117 305 7600</p> <p>For more detailed guidance on electors' rights and the special powers of auditors, copies of the publication Council Accounts – A Guide to Your Rights are available from the National Audit Office website.</p>	<p>(a) Insert date of placing of this notice</p> <p>Sections 26 and 27 of the Local Audit and Accountability Act 2014 must be published with this Notice</p> <p>(b) Insert name, position, address and contact details such as telephone and email of the Clerk or other person to which any person may apply to inspect the accounts, and the details of the manner in which notice should be given of an intention to inspect the accounting records and other documents</p> <p>(c) Insert date at least 1 working day after the Date of announcement in paragraph 1 above and between 3 June 2016 and 1 July 2016.</p> <p>(d) The inspection period between (c) and (d) must be 30 consecutive working days and must include the first 10 working days of July. Exclude weekends.</p>