

Monday 12<sup>th</sup> June 2017

To: **All Members of Woughton Community Council**

### **NOTICE OF MEETING**

You are hereby summoned to attend an extraordinary meeting of Woughton Community Council to be held on **Monday 19<sup>th</sup> June 2017** commencing at **6:00pm** at Woughton Community Council Hub, The Local Centre, Garraways, Coffee Hall where the business set out in the following agenda will be transacted.



Councillor Sue Smith  
Chair

### **AGENDA**

#### **FC 40/17 Apologies**

To accept and approve apologies from members unable to attend the meeting

#### **FC 41/17 Declarations of Interest**

To receive members' declarations of interests relating to any agenda item

#### **FC 42/17 Chairs Announcements**

To receive announcements from the Chair

#### **FC 43/17 Questions from the public (Max. 10 minutes)**

To receive questions/statements from members of the public

#### **FC 44/17 Minutes of the previous meeting**

To receive and approve as a true and correct record the following minutes:

- Minutes of the Annual General Meeting held on Monday 8<sup>th</sup> May 2017  
**(Attached)**
- Minutes of the Meeting of Full Council held on Monday 8<sup>th</sup> May 2017  
**(Attached)**

#### **FC 45/17 Internal Auditor's Final Report 2016/17**

To receive the Internal Auditor's Final Report for the 2016/17 financial year and to consider any recommendations/comments contained within **(Auditor's report and summary report from RFO attached)**

**FC 46/17 Annual Return 2016/17**

To receive and approve the Annual Return data for the financial year ending 31<sup>st</sup> March 2017 **(Attached)**

**FC 47/17 Annual Governance Statement**

To approve the Annual Governance Statement (annual return section 1) for the financial year ending 31<sup>st</sup> March 2017 **(Attached)**

**FC 48/17 Statement of accounts**

To approve the statement of accounts (annual return section 2) for the financial year ending 31<sup>st</sup> March 2017 **(Attached)**

**Date of next meeting: Monday 3<sup>rd</sup> July 2017**

**Minutes of the Annual General Meeting held on Monday 8<sup>th</sup> May 2017, 6.30pm  
at the Woughton Community Council Hub.**

**Present:** Sue Smith, Pauline Prop, Peter Orme, Sue Luttmann, Pam Wilson, Alan Williamson, Donna Fuller, Jordan Coventry, Yvonne Tomlinson, Tina El-Shabrawy, Archibald Prempeh, Nick Scott, Kevin Wilson, Shammi Akter, John Orr, Thillai Visvendran

**Attending:** Kat Mottram (Council Manager), Louise Randall (Administrative Assistant)

**Absent:** Reg Elliot (No apologies given)

**FC 01/17 Election/Appointment of Chair of the Council year 2017-18**

It was **RESOLVED** to appoint Cllr Sue Smith as Chair of the Council

**FC 02/17 To receive Chairs Declaration of Acceptance of Office**

Witnessed by Kat Mottram Council Manager

**FC 03/17 Election/Appointment of Vice Chair for Council year 2017-18**

It was **RESOLVED** to elect Cllr Nick Scott as Vice Chair of the council

**FC 04/17 Apologies for absence**

Yahya Wiseman **RECORDED**

**FC 05/17 Declaration of interests**

None disclosed

**FC 06/17 Minutes of previous meeting**

It was **RESOLVED** to approve the previous minutes from the annual general meeting on Monday 16<sup>th</sup> May 2016 as a true and correct record.

**FC 07/17 Update register of interests**

Members are reminded to update and submit their register of interest, it is a statutory requirement for those to be updated annually

**FC 08/17 Questions from the public**

None

**FC 09/17 Election/Appointment of Leader for Council year 2017-18**

It was **RESOLVED** to elect Cllr Kevin Wilson as Leader of the Council

**FC 10/17 Election/Appointment of Deputy Leader for Council year 2017-18**

It was **RESOLVED** to elect Cllr Donna Fuller as Deputy Leader of the council

**FC 11/17 Election/Appointment of Ambassador to Woughton Community Council for the Council year 2017-18**

It was **RESOLVED** to elect Cllr Alan Williamson as Ambassador to Woughton Community Council

**FC 12/17 Election of up to 12 members to the Services Committee**

It was **RESOLVED** to elect the following Councillors to the Service Committee  
Sue Luttmann, Reg Elliott, Shammi Akter, Alan Williamson, Sue Smith, John Orr,  
Yvonne Tomlinson, Kevin Wilson, Archibald Prempeh, Brian Walker, Nick Scott, and  
Donna Fuller

**FC 13/17 Election of up to 12 members to the Human Resources, Training and Communication's Committee (Operations)**

It was **RESOLVED** to elect the following Councillors to the Human Resources,  
Training and Communication's Committee (Operations)  
Sue Luttmann, Reg Elliott, Yahya Wiseman, Pauline Prop, Tina El-Shabrawy, Peter  
Orme, Alan Williamson, John Orr, Pam Wilson, Archibald Prempeh, Jordan  
Coventry, and Thillai Visvendranen

**FC 14/17 To adjourn the meeting to hold special committee meetings**

**FC 15/17 Special Meeting of Services Committee**

- a) To elect a Chair

It was **RESOLVED** to elect Donna Fuller as Chair of the Services Committee

- b) To elect a Vice Chair

It was **RESOLVED** to elect Nick Scott as Vice Chair of the Services Committee

**FC 16/17 Special Meeting of Operations Committee**

- a) To elect a Chair

It was **RESOLVED** to elect Jordan Coventry as Chair of the Services Committee

- b) To elect a Vice Chair

It was **RESOLVED** to elect Pam Wilson as Vice Chair of the Operations Committee

**FC 17/17 To reconvene Annual Meeting of the Council**

**FC 18/17 To appoint the Leader of the council, Deputy Leader of the Council, Chair and Vice Chair of the Services Committee, Chair and Vice Chair of the Operations Committee to the Policy and Resources Committee**

Appointed.

**FC 19/17 To elect other members to the policy and Resources Committee up to a maximum of 12 members including those appointed under item 18**

It was **RESOLVED** to elect the following Councillors to the Policy and Resources Committee

Shammi Akter, Pauline Prop, Peter Orme, Sue Smith, Yvonne Tomlinson, Pam Wilson, Kevin Wilson, Jordan Coventry, Brian Walker, Nick Scott, Donna Fuller and Thillai Visvendranen

**FC 20/17 To appoint 3 or 4 members to the Accounts Sub Committee from the Policy and Resources Committee**

It was **RESOLVED** to appoint the following councillors to the Accounts Sub Committee

Peter Orme, Sue Smith, Yvonne Tomlinson and Brian Walker

**FC 21/17 To adjourn the meeting to hold special meeting of the Policy and Resources Committee and the Accounts Sub Committee**  
Meeting adjourned.

**FC 22/17 Special Meetings of the Policy and Resources and Accounts Sub Committee**

a) To elect a Chair and Vice Chair for the Policy and Resources Committee  
It was **RESOLVED** to elect Thillai Visvendranen as Chair of the Policy and Resources Committee

It was **RESOLVED** to elect Yvonne Tomlinson as Vice Chair of the Policy and Resources Committee

b) To elect a Chair and vice chair for the Accounts Sub Committee  
It was **RESOLVED** to elect Brian Walker as Chair of the Accounts Sub Committee  
It was **RESOLVED** to elect Peter Orme as Vice Chair of the Accounts Sub Committee

c) To reconvene the Annual General Meeting

**FC 23/17 To appoint members to the following outside bodies and organisations**

**Members are reminded that, should they be appointed to serve as a representative on these bodies they will be expected to report to Council, either verbally or in writing, following their attendance at meeting.**

- a) Woughton Welfare Trust – **Peter Orme**
- b) Netherfield Enterprise Trust – **Peter Orme**
- c) Netherfield Hedgerow's Family Centre – **Sue Luttmann**
- d) Milton Keynes Association of Local Councils (3 members) – **Kevin Wilson, Sue Smith and Thillai Visvendran**
- e) Milton Keynes Parish Forum (2 Members) – **Sue Smith and Alan Williamson**

**FC 24/17 To receive and approve the Leader's recommendations for lead members**

It was **RESOLVED** to approve the Leaders recommendations for Lead Members with discussed changes.

- External Communications to go to the Operations Committee
- Policy Development to go to the Policy and Resources Committee
- Landscaping to go to the Service Committee

**FC 25/17 To approve member allowances for 2017-18**

It was **RESOLVED** to not make any changes to the member allowances, and to grant the Chair of the Council an allowance in line with the Leader

**FC 26/17 To approve the following constitutional documents for 2017-18**

- a) **Standing Orders**
- b) **Financial Regulations (plus 2 appendices)**
- c) **Freedom of Information (Publication Scheme)**
- d) **Delegations Scheme**
- e) **Code of Conduct**
- f) **Protocol on member/officer Relationships**
- g) **Complaints Policy**

- h) Comments/compliment's Document
- i) Gifts and Hospitality Policy
- j) Protocol on press and media relationships

It was **RESOLVED** to approve items a to j

**FC 27/17 To refer the following policies to the appropriate committee and to agree that the committee have delegated powers to review, amend and approve such policies**

- a) Operations Committee (Lone Working Policy, Health and Safety Policy, Equal Opportunities and Diversity Policy, Training and Development Policy, Recruitment and Retention Policy, Retirement Policy)
- b) Services Committee (Grant Aid Policy, Safeguarding and Child Protection Policy)
- c) Policy and Resources Committee (IT Policy)
- d) Accounts Sub Committee (Procedure for Ordering good and services)

It was **RESOLVED** to agree items a to d

**FC 28/17 To approve Terms of Reference for the following Committees**

- a) Policy and Resources Committee
- b) Services Committee
- c) Operations Committee
- d) Accounts Sub Committee

It was **RESOLVED** to approve the Terms of Reference

**FC 29/17 To approve the calendar of meetings for 2017/18**

It was **RESOLVED** to approve the calendar of meetings for 2017/18

**FC 30/17 To approve continuing affiliation to the following bodies**

- a) National Association of Local Councils (and Bucks and MK Association of local Councils)
- b) Milton Keynes Association of Local Council's
- c) Society of Local Council Clerks

It was **RESOLVED** to approve items a to c

Meeting closed at 1850pm

Signed.....(Chair) Date.....

**Minutes of the Full Council Meeting held on Monday 8<sup>th</sup> May 2017  
7.30pm at the Woughton Community Council Hub**

**Present:** Sue Smith, Pauline Prop, Peter Orme, Sue Luttmann, Pam Wilson, Alan Williamson, Donna Fuller, Jordan Coventry, Yvonne Tomlinson, Nick Scott, Kevin Wilson, Thillai Visvendran, Shammi Akter, John Orr

**Attending:** Kat Mottram (Council Manager) Louise Randall (Administrative Assistant)

**FC 31/17 (01/07) Apologies**

Tina El-Shabrawy – Not Accepted - **NOTED**

Yahya Wiseman – Accepted - **NOTED**

**FC 32/17 (02/17) Declaration of Interest**

None

**FC 33/17 (03/17) Chairs Announcements**

- Congratulations to Kat Mottram for pass her CiLCA
- The committee agreed to grant the Woughton Community Council the General Power of Competence
- Race Night on the 26.05.17

**FC 34/17 (04/17) Questions from the public**

None

**FC 35/17 (05/17) Minutes of the previous meeting**

It was **RESOLVED** to accept the minutes of the full council meeting held on Monday 6<sup>th</sup> March 2017 as a true and correct record

**FC 36/17 (06/17) Draft Minutes from Committees since last full council meeting**

HR Committee 14.03.17

Services Committee 30.03.17

P&R Committee 03.04.17

**NOTED**

**FC 37/17 (07/17) Seminar Dates and Topics**

- Enforcement to be discussed
- The committee do have the role of advising the council
- The new General Power of Competence to be discussed
- Good councillors guide to be provided for all councillors
- Councillor's induction to take place 12<sup>th</sup> June 2017
- Under the power of public publication, which is a legal requirement all allowance's and attendance to be placed on the notice boards

**FC 38/17 (08/17) Carnival Update**

Next carnival meeting is planned for 09.05.17.

All councillors are asked to support the carnival, no job is too small.

**FC 39/17 (09/17) winning the case for fairer funding**

The committee received the spreadsheet

Meeting closed at 2018

**Date of next meeting: Monday 3<sup>rd</sup> July 2017**

Signed \_\_\_\_\_ (Chair) Date \_\_\_\_\_

DRAFT



**INTERNAL AUDIT AND YEAR END ACCOUNTS REPORT**  
**Full Council 19<sup>th</sup> June 2017**

**PURPOSE OF REPORT:**

To comment on the Internal Auditor's Final report for 2016/17 and to bring to Council's attention some of the comments made and concerns raised by the Auditor.

**MAIN ISSUES AND CONSIDERATIONS:**

It was noted by the Auditor that the staffing bill for 2016/17 was unusually high. This was largely due to the pension deficit contributions and the amount of staff employed. In the last financial year, the staffing bill was £611,450 compared to the precept of £377,980. The precept was bolstered by the LCTRS grant of £140,305 giving an income of £518,285, almost £100k short of the annual salary bill.

The salary bill for 2017/18 is due to be in the region of £533,373 with the precept being set at £441,756. As Council are aware, there is a real threat that the LCTRS grant is to be cut significantly, if and when this happens Woughton Community Council could be placed into a negative equity position as its expenditure would be more than its income. In this eventuality, and upon depletion of general reserves (which are currently marginally in excess of the recommended 3-6 month guidelines), the Council would not be able to afford to pay its staff or provide any services. At that point, the RFO's duty would be to freeze spending, and if this measure is unsuccessful issue a section 114 notice. This would effectively see the RFO take over full management of the Council's finances to control spending. The relevant authority would have to step in and provide a 'bail out' (See attached CIPFA briefing and Local Government Finance Act 1988, pt. 8). Issuing a s.114 notice would only be undertaken in the gravest of circumstances and would suggest that either a) the authority has failed to heed previous warnings from the RFO, b) the Council has failed to appreciate the seriousness of the budgetary position and/or c) the RFO has failed to warn of the risks. As Council will appreciate, this is a very precarious position to be in and one which all parties involved should seek to avoid.

As highlighted in a previous report to Council (9<sup>th</sup> January FC 76/16, **attached**), the RFO raised these same issues regarding salary costs and the potential loss of the LCTRS grant and recommended that Council did not seek to employ any other members of staff in a bid to keep staffing costs down. Against advice from the RFO, Council have since agreed to hire 2 new full time employees, which has increased next year's salary bill by approx. £50k per year.

The RFO would like to take this opportunity to formally warn Council against any and all unnecessary spending, i.e. any spending that is outside of statutory requirements.

**FINANCIAL IMPLICATIONS:**

As above

**BACKGROUND PAPERS:**

- Budget Sufficiency Report (FC 76/16) previously submitted to Council on 9<sup>th</sup> January 2017
- CIPFA Briefing – Balancing Local Authority Budgets
- Local Government Finance Act 1988, part VIII

**RECOMMENDATION:**

1. That Council note the report
2. That Council fully accept and take steps to mitigate the risks as presented to them within this report
3. That Council guard against spending that is outside of statutory duties
4. That the RFO in conjunction with the Council Manager and Heads of Service meet to discuss the current level of provision and how best to balance the budget taking statutory services into account

**AUTHOR**

Abi Bassett  
Responsible Finance Officer

**BUDGET SUFFICIENCY REPORT**  
**Full Council 9<sup>th</sup> Jan 2017**

**PURPOSE OF REPORT:**

To update members on the sufficiency of the budget and to advise Council of the known financial risks

**MAIN ISSUES AND CONSIDERATIONS:**

There are a number of uncertainties regarding the budget for the next 3 years, most notably

- A proposed reduction in Landscape funding from MKC
- The opening balances for 2017/18
- **The threat of a reduction in the LCTRS grant.**
- Final costings for the new office at Coffee Hall
- Outcome of second PWLB loan application

While the recommended 15% rise in the precept will help mitigate some of the short term risks, Council are advised to be cautious with spending until the financial position is known. The budget proposal presented to Council does not allow for any additional staff (by far the Council's highest cost) and it's my recommendation that Council do not seek to employ anyone else at this time in order to keep these costs down.

The Council Leader has made it clear that should MKC insist on cutting more than £10,000 from the landscape funding in the first year, it will not be financially feasible for us as a Council to retain the service and I am supportive in this decision.

The opening balances for 2017/18 are expected to be anywhere between £184,000-£244,000; until we know the final cost of the new office build and the cost of dilapidations for the old office, together with the outcome of the Council's second PWLB loan application, it is impossible to narrow this figure down anymore at this point. Because of this, the Leader and I have come to an agreement whereby we split the difference between these two figures, giving a predicted opening balance for next year of £214,000.

A target of £10,000 of additional income has been set for 2017/18 and in order to achieve this target some serious work and consideration needs to be put in by Council. The robustness of the proposed budget for next year depends, at least in part, on gaining this additional income. For future years, **the threat of the loss of the Council Tax Support grant and/or the Landscaping grant is real.** Council must do something to help generate significant additional income year on year to lessen its reliance on grants and reduce any impact caused by the loss of any or all grants we receive.

**FINANCIAL IMPLICATIONS:**

As above

**BACKGROUND PAPERS:**

None

**RECOMMENDATION:**

1. That Council note the report
2. That Council acknowledge the risks as highlighted above and take reasonable steps to mitigate them and/or protect itself against them

**AUTHOR**

Abi Bassett

Responsible Finance Officer

FC 45/17  
FC 45/17

# CIPFA BRIEFING

March 2016

## balancing local authority budgets

and section 114 notices

Due in large part to the impact of the spending reviews and funding cuts, chief finance officers (CFO) have found it increasingly difficult to balance the budget. CIPFA's local authority CFO confidence monitor for 2016-17 showed more than 56% of finance leaders are less confident that they will reach a balanced budget and be able to continue to deliver services for the next financial year.

Concern about the rising cost of social care in upper tier councils and uncertainty over future funding streams are challenging robust financial planning. Many types of council are finding that the amounts generated through business rates, the New Homes Bonus and fees and charges can fluctuate dramatically and sometimes be difficult to estimate. This puts the council's budget at greater risk. This is in addition to the unexpected changes in funding linked to Central Government policy announcements.

This briefing looks at what it means to have a balanced budget and who is responsible for achieving this equilibrium. It also considers what factors have a negative impact on the budget and result in a local authority facing a spending crisis. To avoid a financial crisis the council will implement a spending freeze and so the briefing covers the implementation of this approach. However, the briefing also considers what will happen if the spending freeze fails and the CFO must implement the gravest financial sanction – the Section 114 notice.

## Balancing a budget

Local authorities are required by law to have a balanced budget. However what is meant by 'balanced' is not defined in law and this has meant CFOs using their professional judgement to ensure that the local authority's budget is robust and sustainable.

A prudent definition of a sustainable balanced budget for local government would be a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. Plans would take into account deliverable cost savings and/or local income growth strategies as well as useable reserves.

Legislation provides a description to illustrate when a budget is considered not to balance, which is:

- where the increased uncertainty leads to budget overspends of a level which reduces reserves to unacceptably low levels, or
- where an authority demonstrates the characteristics of an insolvent organisation, such as an inability to pay creditors.

CFOs must interpret this based on the circumstances of their own organisation and should continually monitor income and expenditure throughout the year to make sure that the finances are on target. Any significant alteration in either expenditure or income may result in an unbalanced budget. Factors affecting a budget could include:

- natural disaster
- sudden policy change
- demographic pressures
- unexpected funding pressures
- failure to realise planned savings.

In this case it would be necessary for the authority to find an alternative way to balance its budget. This would usually be through the introduction of an emergency savings programme.

## Avoiding an unbalanced budget

To avoid an unbalanced budget local authorities have to be financially resilient. Good financial management is fundamental in establishing confidence in the budget and ensuring that the finances can withstand unexpected pressures. Setting a clear medium-term financial plan will help clarify expected income and expenditure and regular monitoring will ensure that any financial issues are identified early and measures can be brought in to realign the budget. These plans must incorporate any financial, operational and strategic risks faced by the authority.

## Medium-term financial planning

Across the public sector the spending review process has led to a focus on medium-term planning covering periods of three to five years. Authorities which have based their plans on forecasts of funding levels tend to update their plans on an annual basis so as to reflect the latest funding predictions. Accurate awareness of the funding available in the forthcoming years means a council stands a better chance of balancing the budget.

## Use of reserves

CIPFA recognises that reserves are very useful options for balancing the budget in the short-term. Reserves can be called upon to manage fluctuations between financial years to ensure that an overall balanced budget is maintained. CIPFA's advice has always been clear that reserves should not be used to pay for day-to-day expenditure and that it is important that they are replaced when the short-term need has passed. CIPFA has sent a consistent message to local authorities that the use of reserves must be very measured and the advice provided in the CIPFA Briefing on Local Authority Reserves (June 2015) supports this view.

Allocated reserves can be used for:

- planned investment
- capital projects
- change programmes
- unexpected events such as natural disasters.

## Responsibility for balancing the budget

The responsibility of the budget rests with the CFO who will work with the leadership team to set the medium-term financial plan. This plan will allow the organisation to deliver its long-term goals by ensuring that a suitable budget is in place. The CFO is also responsible for ensuring that the finance team constantly monitor the financial health of the authority. CIPFA would argue that in order for the CFO to be fully effective, they need to be at the centre of the organisation's strategic vision as well as having the technical ability to manage the organisation's finances.

However the CFO cannot work in isolation and should be supported by the chief executive so that the vision and strategies of the organisation are sustained through a strong financial plan. The chief executive is ultimately responsible for the success of the organisation and it is their task to bring the leadership team together. This role is particularly important during a time of financial crisis when spending restrictions may be imposed.

Spending restrictions will be more challenging for services which are demand-led and include a statutory duty such as adult social care and children's services.

At this time the chief executive's role will be to support the CFO in identifying solutions and working with the leadership team to produce a measured response. The chief executive must maintain communication and collaboration throughout the organisation. Any approach will only be successful if there is a consistent and clear message from the leadership team. The chief executive will be responsible for ensuring that this message is also communicated to external stakeholders and delivery partners.

## Implementing a spending freeze

A spending freeze is an approach to help balance the books in-year. It sits alongside all the planned approaches and strategies set out in the budget when it was first approved. The need for a spending freeze in year may be because of an unplanned event or unexpected set of circumstances which mean the council is heading for an unmanageable overspend at year end or in future years.

Implementing the freeze is a sign of good financial management. It shows that although the finances are not on target good monitoring has identified the problems at an early stage and the leadership are working collaboratively across the organisation to realign income and expenditure.

How it is done in practice will vary between authorities but it will invariably mean having to navigate a path between the requirements of statutory service delivery and meeting the terms of current service contracts. The most common approach is where expenditure is limited or stopped altogether. A series of spending gateways will certainly need to be introduced with authorised signatories required where spending over a certain figure occurs. In 2015, Buckinghamshire County Council introduced a spending freeze in which the CFO was required to sign any commitment above £100k.

However, it must be recognised that temporary suspension of spending can still accommodate an emergency release of funding if specified in advance. Some services such as adult social care and children's services will still have to spend during the freeze. It is necessary therefore that the CFO, supported by the chief executive, works collaboratively with the directors of these services to identify an approach to minimise spend or exclude certain areas from the spending freeze. Whilst this adds additional pressures to the local authority as a whole, services that are exempt from a spending freeze will be able to ensure certain customers are safeguarded.

Examples of short-term measures incorporated into a spending freeze include non-essential job vacancies, renewing computer equipment, routine repairs, staff training and highways and pavement maintenance. Budget holders would be asked to consider if the expenditure is absolutely necessary, if it can be deferred or if an alternative is available.

## Statutory and non-statutory services

Statutory services are those an authority is required to provide by law – i.e. the public has a right to receive the service and the council a duty, and not just the power to provide it. Local authorities have over 1,000 statutory services to deliver and the implementation of a spending freeze must also explore the provision of these services. Few services are prescribed in law and over the past five years local authorities have been innovative in their approach to their delivery. As opportunities for savings from other areas have reduced the need to review statutory provision has become more urgent to help balance the budget.

The dividing line between statutory and non-statutory is not as simple as one might think and the decision about what costs are allocated to which service is critical to managing a budget, particularly during a freeze. Councils face Judicial Review if they misinterpret a service where there is a duty to provide.

## Implementing a Section 114 notice

The authority that gives the CFO power to issue a Section 114 notice comes from Section 151 of the Local Government Act 1972. According to the Act the CFO can also be the Section 151 Officer. If the CFO judges that the council is unable to set or maintain a balanced budget they must consider the possibility of a Section 114 notice. Such a notice is only given in the gravest of circumstances. The process is governed under legislation and once issued the council has 21 days to consider a response. However, during that time spending and other financial activity is suspended.

To reach this point would suggest that:

- the authority has failed to heed previous warnings from the CFO about the financial risks to the authority
- the council has failed to appreciate the seriousness of the budgetary position
- the CFO has failed to warn of the risks.

It may also suggest that there may be a breakdown in the relationship between the chief executive and the CFO as warnings and conversations should have been taking place at the very highest level of the organisation.

While issuing a Section 114 notice should not be seen as a failure, it will result in the loss of financial control by the leadership team and the process should be seen as the action of last resort.

External audit will become involved during the process. From past experience CIPFA understands that the Department for Communities and Local Government (DCLG) would also be made aware of the financial crisis being experienced by the local authority and become involved.

## New ways of working

Combined authorities, partnerships, and shared service arrangements now dominate the agenda and it is clear that the legal framework surrounding the Section 114 has not been tested in these circumstances. The Act was written for a very different type of local government structure and the ways councils now operate present quite different risks and challenges.

## Conclusion

To balance a budget is a complex and continuous activity. Local authorities must ensure they have good financial planning in place supported by monitoring and review. However, unexpected budgetary pressures may occur that result in an unbalanced budget. Realigning the budget requires good communication and financial control. It is the responsibility of the CFO to ensure that the budget is balanced but they cannot work in isolation. The CFO must be supported by the chief executive and the leadership team.

### CIPFA position:

- The CFO must be on the leadership team to ensure the financial plans are aligned with the strategic goals.
- The CFO must explore all avenues before issuing a Section 114 notice but should issue a notice where necessary.
- Good communication between the CFO and chief executive and across all stakeholders is essential for a spending freeze to be successfully implemented.
- Maintaining a robust approach to medium-term financial planning will ensure financial resilience.
- An authority should have a programme of monitoring and review covering strategies, risks and governance structures in order to mitigate against unforeseen events.
- Reserves are a vital part of prudential financial management in local authorities, including their ongoing ability to meet the balanced budget requirement and should not be used on an on-going basis to cover shortfall in day-to-day expenditure.
- An authority should prioritise how to deal with statutory service delivery on implementing a spending freeze in order to safeguard vulnerable groups and avoid the risk of Judicial Review.



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# Local Government Finance Act 1988

## 1988 CHAPTER 41

### PART VIII

#### FINANCIAL ADMINISTRATION

#### 114 Functions of responsible officer as regards reports.

- (1) On and after the commencement day the person having responsibility for the administration of the financial affairs of a relevant authority under section 151 of the 1972 Act, section 73 of the 1985 Act [<sup>F1</sup> section 127 of the 1999 Act] or section 112 above shall have the duties mentioned in this section, without prejudice to any other functions; and in this section he is referred to as the chief finance officer of the authority.
- (2) [<sup>F2</sup>Subject to subsection (2A),]the chief finance officer of a relevant authority shall make a report under this section if it appears to him that the authority, a committee [<sup>F3</sup>of the authority, a person holding any office or employment under the authority, a member of a police force maintained by the authority,], or a joint committee on which the authority is represented—
  - (a) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,
  - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
  - (c) is about to enter an item of account the entry of which is unlawful.

[<sup>F4</sup>(2A) Where a relevant authority is operating executive arrangements, the chief finance officer of the relevant authority shall not make a report under subsection (2) in respect of any action referred to in paragraph (a), (b) or (c) of that subsection unless it is action taken otherwise than by or on behalf of the relevant authority's executive.]

- (3) The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

*Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Finance Act 1988. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*

- [<sup>F5</sup>(3A) It shall be the duty of the chief finance officer of a relevant authority, in preparing a report in pursuance of subsection (2) above, to consult so far as practicable—
- (a) with the person who is for the time being designated as the head of the authority's paid service under section 4 of the Local Government and Housing Act 1989; and
  - (b) with the person who is for the time being responsible for performing the duties of the authority's monitoring officer under section 5 of that Act.]
- [<sup>F6</sup>(3B) Subsection (3A) above shall have effect in relation to the London Development Agency with the substitution for paragraphs (a) and (b) of the words "with the person who is for the time being appointed under paragraph 4(2) of Schedule 2 to the <sup>M1</sup>Regional Development Agencies Act 1998 as the chief executive of the London Development Agency".
- (3C) Subsection (3A) above shall have effect in relation to Transport for London with the substitution for paragraphs (a) and (b) of the words "with the person who is for the time being designated for the purpose under subsection (3D) below".
- (3D) Transport for London shall designate a member of Transport for London, or a member of the staff of Transport for London, as the person who is to be consulted under subsection (3A) above.]
- (4) Where a chief finance officer of a relevant authority has made a report under this section he shall send a copy of it to—
- (a) the person who at the time the report is made has the duty to audit the authority's accounts, and
  - (b) each person who at that time is a member of the authority [<sup>F7</sup>; and
  - (c) in a case where the relevant authority has a mayor and council manager executive, the person who at the time the report is made is the council manager of that authority]
- [<sup>F8</sup>(4A) The duty under subsection (4)(b) above—
- (a) in a case where the relevant authority is the Greater London Authority, is to send a copy of the report to the Mayor of London and to each member of the London Assembly; and
  - (b) in a case where the relevant authority is a functional body, within the meaning of the 1999 Act, includes a duty to send a copy of the report to the Mayor of London and to the Chair of the Assembly, within the meaning of that Act.]
- (5) Subject to subsection (6) below, the duties of a chief finance officer of a relevant authority under subsections (2) and (3) above shall be performed by him personally.
- (6) If the chief finance officer is unable to act owing to absence or illness his duties under subsections (2) and (3) above shall be performed—
- (a) by such member of his staff as is a member of one or more of the bodies mentioned in section 113(3) above and is for the time being nominated by the chief finance officer for the purposes of this section, or
  - (b) if no member of his staff is a member of one or more of those bodies, by such member of his staff as is for the time being nominated by the chief finance officer for the purposes of this section.

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Finance Act 1988. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

(7) A relevant authority shall provide its chief finance officer with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed.

(8) In this section—

- (a) references to a joint committee are to a committee on which two or more relevant authorities are represented, and
- (b) references to a committee (joint or otherwise) include references to a sub-committee.

<sup>F9</sup>(9) .....

#### Annotations:

##### Amendments (Textual)

- F1** Words in s. 114(1) inserted (8.5.2000 for certain purposes and otherwise 3.7.2000) by 1999 c. 29, s. 130(1)(2) (with Sch. 12 para. 9(1)); S.I. 1999/3434, arts. 3, 4
- F2** Words in s. 114(2) inserted (E.) (11.7.2001) by S.I. 2001/2237, art. 20(1)(a) and inserted (W.) (1.4.2002) by S.I. 2002/808, art. 19(1)(a)
- F3** Words in s. 114(2) substituted (1.10.1994) by 1994 c. 29, s. 43, Sch. 4 Pt. 1 para. 34; S.I. 1994/2025, art. 6(1)(2)(e)(g)
- F4** S. 114(2A) inserted (E.) (11.7.2001) by S.I. 2001/2237, art. 20(1)(b) and inserted (W.) (1.4.2002) by S.I. 2002/808, art. 19(1)(b)
- F5** S. 114(3A) inserted by Local Government and Housing Act 1989 (c. 42, SIF 81:1), s. 139, Sch. 5 para. 66
- F6** S. 114(3B)-(3D) inserted (8.5.2000 for certain purposes and otherwise 3.7.2000) by 1999 c. 29, s. 130(1)(3) (with Sch. 12 para. 9(1)); S.I. 1999/3434, arts. 3, 4
- F7** S. 114(4)(c) and preceding “and” added (E.) (11.7.2001) by S.I. 2001/2237, art. 20(1)(c) and added (W.) (1.4.2002) by S.I. 2002/808, art. 19(1)(c)
- F8** S. 114(4A) inserted (8.5.2000 for certain purposes and otherwise 3.7.2000) by 1999 c. 29, s. 130(1)(4) (with Sch. 12 para. 9(1)); S.I. 1999/3434, arts. 3, 4
- F9** S. 114(9) repealed (1.4.2002) by 2001 c. 16, ss. 128, 137, Sch. 6 Pt. 2 para. 48, Sch. 7 Pt. 5(1); S.I. 2002/344, art. 3(k)(m) (with transitional provisions in art. 4)

##### Modifications etc. (not altering text)

- C1** S. 114 amended (28.11.1994) by S.I. 1994/2825, regs. 36, 37(1), 38
- S. 114 applied (with modifications) (28.11.1994) by S.I. 1994/2825, reg. 37(1)

##### Marginal Citations

- M1** 1998 c. 45.

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Finance Act 1988. Any changes that have already been made by the team appear in the content and are referenced with annotations.

**Changes and effects yet to be applied to :**

- s. 114-116 applied (with modifications) by S.I. 2008/634 art. 8(5)
- s. 114-116 applied (with modifications) by S.I. 2008/907 art. 17(5)
- s. 114 applied (with modifications) by S.I. 2017/470 Sch. 1 para. 7(2)
- s. 114 excluded by S.I. 2017/470 Sch. 2 para. 14
- s. 114(1) words inserted by 2011 c. 13 Sch. 16 para. 188(2)
- s. 114(2) words substituted by 2011 c. 13 Sch. 16 para. 188(3)
- s. 114(3A) words inserted by 2011 c. 13 Sch. 16 para. 188(4)
- s. 114(3B) repealed by 2011 c. 20 Sch. 25 Pt. 32
- s. 114(4)(b) substituted by 2011 c. 13 Sch. 16 para. 188(5)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 5 Ch. 3 inserted by 2003 c. 26 Sch. 2 para. 1
- Pt. 5 Ch. 1 and title s. 76 becomes Pt. 5 Ch. 1 by 2003 c. 26 Sch. 7 para. 12
- Pt. 5 Ch. 2 and title s. 78-84C becomes Pt. 5 Ch. 2 by 2003 c. 26 Sch. 7 para. 13
- Pt. 5 Ch. 4 and title s. 85-88B becomes Pt. 5 Ch. 4 by 2003 c. 26 Sch. 7 para. 16
- s. 41(2A) inserted by 2013 c. 27 s. 29(3)
- s. 41(9) inserted by 2013 c. 27 s. 30(2)
- s. 43(4A)-(4D) inserted by 2003 c. 26 s. 61(3)
- s. 43(4B)(a)(i) repealed by 2011 c. 20 s. 70(2)(a) Sch. 25 Pt. 11
- s. 43(4B)(a)(iii) repealed by 2011 c. 20 s. 70(2)(b) Sch. 25 Pt. 11
- s. 43(4C) repealed by 2011 c. 20 s. 70(3) Sch. 25 Pt. 11
- s. 43(4D) words inserted by 2011 c. 20 s. 70(4)(a)
- s. 43(4D)(a) words substituted by 2011 c. 20 s. 70(4)(b)
- s. 43(4D)(b) word substituted by 2011 c. 20 s. 70(4)(c)
- s. 43(6)(a) words in s. 43(6) renumbered as s. 43(6)(a) by 2003 c. 26 s. 64(1)(a)
- s. 43(6)(b) and words inserted by 2003 c. 26 s. 64(1)(b)
- s. 43(6)(b) words substituted by 2010 c. 4 Sch. 1 para. 207
- s. 43(6B)(aa) inserted by 2003 c. 26 s. 63(2)
- s. 43(8A) (8B) substituted for s. 43(8A) by 2003 c. 26 s. 61(4)
- s. 44(7)-(9) inserted by 2003 c. 26 s. 61(5)
- s. 44A(8)(b)(c) substituted for s. 44A(8)(b) by 2007 c. 9 Sch. 1 para. 1(3)
- s. 44A(9A) inserted by 2007 c. 9 Sch. 1 para. 1(5)
- s. 45(4)(4A) excluded by S.I. 2009/3343 reg. 10
- s. 45(4)(4A) excluded by S.I. 2009/3343 Sch. 2 para. 2
- s. 45(4)(4A) excluded by S.I. 2009/3343 Sch. 2 para. 3
- s. 45(4)(4A) excluded by S.I. 2009/3343 Sch. 2 para. 4
- s. 45(4)(4A) excluded by S.I. 2009/3343 Sch. 2 para. 5
- s. 45(4)-(4B) substituted for s. 45(4) by 2007 c. 9 s. 1(1)
- s. 45(6)(a) words in s. 45(6) renumbered as s. 45(6)(a) by 2003 c. 26 s. 64(2)(a)
- s. 45(6)(b) and words inserted by 2003 c. 26 s. 64(2)(b)
- s. 45A inserted by 2007 c. 9 s. 1(2)
- s. 45A(3)(a) words substituted by S.I. 2013/463 art. 3
- s. 47(2)(ba) inserted by 2003 c. 26 s. 64(3)
- s. 47(2)(ba) words substituted by 2010 c. 4 Sch. 1 para. 208
- s. 47(3A)-(3D) repealed by 2011 c. 20 s. 69(5) Sch. 25 Pt. 10
- s. 47(3A)(aa) inserted by 2003 c. 26 s. 63(3)
- s. 47(3D) inserted by 2003 c. 26 s. 61(7)

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# **Woughton Community Council**

*Internal Audit Report 2016-17: Final update*

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*Adrian Shepherd-Roberts*

*For Auditing Solutions Ltd*

## **Background**

All town and parish councils are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return. Auditing Solutions Ltd has provided this service to Woughton Community Council since 2008-09.

This report sets out the work undertaken in relation to the 2016-17 financial year, during our visits on 20<sup>th</sup> February and 7<sup>th</sup> June 2017, together with the matters arising and recommendations for action, where appropriate.

## **Internal Audit Approach**

In undertaking our review for the year, we have had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts/Annual Return. We have employed a combination of selective sampling techniques (where appropriate) and 100% detailed checks in a number of key areas in order to gain sufficient assurance that the Council's financial and regulatory systems and controls are appropriate and fit for the purposes intended.

Our programme of cover has been designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Annual Internal Audit Report' in the Council's Annual Return, which requires independent assurance over a number of internal control objectives.

## **Overall Conclusion**

We have concluded that, on the basis of the programme of work we have undertaken the Council has maintained adequate and effective internal control arrangements. However, at our interim visit we identified one area where we considered that further improvements in the overall internal control environment are required. Detail of the matter identified during the course of the interim audit visit is set out in the body of the report, with the recommendation arising further summarised in the appended Action Plan and which we are pleased to note has now been reviewed.

We ask that members consider the content of this report and acknowledge that the report has been reviewed by Council.

We have completed and signed the 'Annual Internal Audit Report' in the year's Annual Return, having concluded that, in all significant respects, the control objectives set out in that report were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

# Detailed Report

## Maintenance of Accounting Records & Bank Reconciliations

The Council uses the Omega accounting software to maintain its accounting records with a single cash book in place covering the Barclays Current and Deposit accounts, the former of which is maintained automatically by the bank at a "close of business" balance of £15,000.

Our objective in this area is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have:

- Ensured that the closing balances, as reported in the 2015-16 Accounts and Annual Return have been correctly carried forward as the opening balances in the current financial year;
- Checked that a full and effective cost centre and nominal account code structure remains in place;
- Checked detail of transactions recorded on the combined cashbook for two bank accounts and the savings account to supporting bank statements for April & November 2016 and March 2017;
- Agreed detail of all inter-account transfers between the three bank accounts for the same three sample months;
- Checked and agreed detail on the bank reconciliations on the combined cashbook as at 30<sup>th</sup> April and November 2016 and March 2017 noting that Councillors have been receiving and signing some copies of monthly reconciliations.

### Conclusions

*We are pleased to report that no significant issues have been identified in this area this year. We did however, at our interim visit, note that there were a number of months where signed reconciliations were not evident.*

## Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to ascertain, no actions of a potentially unlawful nature have been taken nor are such being considering currently.

We note that both Standing Orders (SOs) and Financial Regulations (FRs) were reviewed by the Council in July 2016 and will be further reviewed in accordance with the latest revised NALC model documents.

We have completed our review of the minutes of the Full Council and its Standing Committees meetings for the year in order to ensure that no issues affecting the Council's financial stability either in the short, medium or long term exist: no such matters were identified. However, we note that, where grants have been approved for payment, the

approving minutes make no reference to the relevant powers under which the grant has been made.

In the light of Procurement Guidelines (April 2015) the value for formal tender action will need to be considered by Full Council and encompassed in both the Standing Orders and Financial Regulations to meet the requirements of the 2015 updated EU Procurement Regulations.

### *Conclusions*

*We are pleased to report that no significant issues have been identified in this area this year: We discussed the possible need for revisions to SOs and FRs in the light of the revised procurement guidelines at our interim audit and we have been advised that Council have reviewed and adopted new Financial Regulations at their May 2017 meeting.*

## **Review of Expenditure**

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and approved budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- Official orders are raised wherever deemed appropriate;
- All potential prompt payment discounts have been identified and taken;
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery and that the annual submission has been returned in a timely manner.

We have completed our testing in this area, examining a sample of 44 payments processed in the year totalling £319,761 and equating to 69% of the year's non-pay related spending. Our sample has again been determined partly statistically and partly substantively to include all payments individually in excess of £3,000 plus every 35<sup>th</sup> non-pay related payment in the year in order to ensure compliance with the above criteria.

We are pleased to record that the overall controls in place over the validation of appropriateness and approval of the release of funds in respect of cheque payments continues to operate effectively with Councillors seeing and initialling the invoices when signing the cheques.

We have also examined the periodically prepared and submitted VAT returns to HMRC to March 2017 agreeing sample detail to the underlying Omega control account.



## *Conclusions*

*We are pleased to record that no significant issues have been identified in this area of review. We have ensured that the second reclaim for VAT has been included in the year end outstanding debtors.*

## **Assessment and Management of Risk**

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition. We have: -

- Noted that the Council's Operational Risk assessments and Financial Risk Register have been reviewed and were submitted to Council at the March 17 meeting; and
- Obtained and examined the Council's current year insurance policy with Zurich to ensure that appropriate cover is in place and that members have reviewed its content and determined that cover in each area is appropriate to the Council's needs. We have, however, noted that Fidelity Guarantee cover, at £500,000, remains below the recommended guidelines (i.e. the total year-end cash and bank balances plus a half year's precept) and we consider that the level of cover should be reviewed and adjusted, if deemed appropriate, annually.

## *Conclusions and recommendation*

*We take this opportunity to remind the Council of the mandatory requirement to review and adopt formally risk assessments annually (The "Governance and Accountability Manual – The Practitioner's Guide 2016 edition refers).*

*At our interim audit we noted that the level of Fidelity Guarantee insurance cover fell below the recommended level and should be reviewed and considered for ongoing appropriateness by the Council, their discussion and conclusions being minuted formally with appropriate reasoning also recorded. The Council should also formally review the position annually and ensure that appropriate controls remain in place.*

*R1. The Council should consider its position with regard to the current level of Fidelity Guarantee cover, with minutes formally recording the Council's deliberations and conclusions in this respect. The level of cover has now been increased.*

## **Budgetary Control & Reserves**

We aim in this area of our work to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an appropriate budget and the formal determination of the amount to be precepted on the Milton Keynes Council; that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans. We have noted that:

- Members continue to be provided with regular management accounting information, with detail extracted from the accounting software;

- The budget and precept deliberations for 2017-18 were concluded at the full Council meeting in January 2017 with the overall funding requirement being determined at £441,756 from Milton Keynes Council.

We have also examined the budget outturn to March 2017 following up any significant variances with the officers.

The Council currently have total reserves of £334k of which circa £23k is earmarked. General Reserves are marginally in excess of the current Guidelines of 3 to 6 months, however, should the Local Tax Support Grant and the Landscape Funding support be withdrawn by Milton Keynes District Council then it could in future years place the Community Council in to a negative equity position.

### *Conclusions*

*No issues have arisen from our work in this area to warrant formal recommendation.*

## **Review of Income**

The Council receives income from a relatively limited number of sources including meeting room and hall hire fees, interest, grants, donations and recoverable VAT.

Our objective is to ensure that robust procedures are in place to ensure that all income due to the Council is identified and invoiced (where applicable) appropriately with recovery effected within a reasonable time span. Consequently:

- We are pleased to note that, in accordance with the Financial Regulations, members have reviewed the scales of fees and charges for hire of the meeting rooms, approving increases with effect from 1<sup>st</sup> April 2016;
- We have examined the nominal ledger transaction reports for the current year's income in respect of the hall hire to ensure that no anomalous entries are apparent, particularly in relation to regular, periodic receipts and that income is duly banked; and
- We note a sales booking system is maintained using RBS bespoke software linked to the Sales ledger. We have discussed the use of the RBS Sales Ledger software with the software provider and the Finance and Committees Officer and due to historical records retained in the booking system it is reflecting a higher volume of outstanding invoices, currently with invoices dating back to March 2015. This is due to receipts only being input through the cash book and not being input through the Sales Ledger.

### *Conclusions*

*No issues arise from work completed in this area requiring our recommendation however, Council should consider the operation and use of the bookings system in conjunction with the sales ledger and the most effective method for reconciliation of the invoices.*

*We also noted that whilst the banking is completed on a monthly basis, for good housekeeping we consider that this could be completed fortnightly to reduce the amount of*

*money retained on the premises and also assist in the reconciliation of the banking and cash books.*

## **Petty Cash and “Debit & Fuel Cards”**

We are required, as part of the annual Internal Audit Reporting process on the Annual Return, to indicate the soundness of controls in this area of the Council’s financial activities and note that there is an Imprest style petty cash scheme with a maximum holding of £200 which was opened in March 2015. We have reviewed the Petty Cash file to ensure that the system operates effectively. We have also checked the receipts and cash held by the Youth Centre.

We have also reviewed the management process and reconciliation in respect of the “All Star” fuel cards and the use of Debit Cards and are pleased to report that the processes are controlled in a satisfactory manner.

### ***Conclusions***

*No matters arise in this area warranting formal comment or recommendation.*

## **Salaries and Wages**

In examining the Council’s payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme, as further revised from 1<sup>st</sup> April 2015 in relation to employee percentage bandings.

We have reviewed the procedures in place for notifying the payroll provider of any changes in basic data, also confirming that the Council is not at risk in the event that an inappropriate amount is paid by the provider, who, as the initial paying agent, bears that risk. Consequently, we have:

- Checked and agreed the gross payments for each of the Council’s employees for January 2017 against the Council Manager’s establishment record;
- Checked the computations for net pay, tax, NI contributions and superannuation deductions for the same sample month by reference to the relevant HMRC and Pension Fund contribution tables; and
- Verified the physical net payments to staff, together with payments to HMRC and the Pension Fund Administrators.

### ***Conclusions***

*We are pleased to record that no issues have been identified in this area.*

## **Asset Registers and Inventories**

The Governance and Accountability Manual requires all councils to maintain a record of all assets owned. We have checked and agreed the principles used in the detail, as recorded in the Asset Register, noting that it has been prepared using purchase cost values or where that value is unknown at the previous year's Return level or uplifted or decreased to reflect the acquisition or disposal of assets.

We have consequently verified the overall value disclosed in the Annual Return.

### ***Conclusions***

*No issues have been identified in this area to warrant formal recommendation.*

## **Investments and Loans**

The Council has no specific funds in investments, the "surplus" funds available being held in a Barclays Premium interest bearing bank account.

The Council have two PWLB loans with the first loan for £150k utilised and a further loan for £100k which is yet to be drawn down. We have as part of our above expenditure review checked the accurate disclosure of the year-end loan liabilities in this year's Annual Return.

### ***Conclusions***

*There are no matters requiring formal comment or recommendation in this area of our review process.*

## **Statement of Accounts and Annual Return**

The Annual Return now forms the Council's statutory Accounts, which is subject to external audit examination and certification.

Our objective here is to ensure the accuracy of disclosure of information in the Return and that detail is consistent with that contained within the Council's financial and other supporting records.

We have also checked and agreed the Annual Return working detail report produced from the software to the underlying Trial Balance and have also verified the summary totals and the comparators recorded in the Annual Return.

### ***Conclusions***

*We have duly "signed off" the Internal Audit Report of the Annual Return, assigning positive assurances in all relevant areas.*

**Rec. No.**

**Recommendation**

**Response**

**Assessment & Management of Risk**

<p><b>R1.</b> The Council should consider its position with regard to the current level of Fidelity Guarantee cover, with minutes formally recording the Council's deliberations and conclusions in this respect</p>	<p>The level of cover has now been increased.</p>
--	---

31st March 2016

31st March 2017

		<b>Current Assets</b>	
10,373	Debtors	8,040	
118	Other Debtors	100,000	
31,015	VAT Control	56,928	
2,102	Prepayments	369	
109,992	Barclays Bank	28,549	
28	Petty Cash	-50	
276,305	Base Rate Reward	146,322	
0	Petty Cash - Youth Centre	63	
<b>429,933</b>			<b>340,220</b>
<b>429,933</b>		<b>Total Assets</b>	
			<b>340,220</b>
		<b>Current Liabilities</b>	
15,060	Creditors	1,661	
410	Accruals	3,642	
6,786	Wages Control Account	0	
0	Damage Deposit	100	
<b>22,256</b>			<b>5,403</b>
<b>407,678</b>		<b>Total Assets Less Current Liabilities</b>	
			<b>334,817</b>
<b>Represented By</b>			
387,778	General Reserve		313,421
19,900	EM Reserve - Projects		20,750
0	EMR - S106 Fund		646
<b>407,678</b>			<b>334,817</b>

The above statement represents fairly the financial position of the authority as at 31st March 2017 and reflects its Income and Expenditure during the year.

Signed :  
Chairman \_\_\_\_\_ Date : \_\_\_\_\_

Signed :  
Responsible  
Financial  
Officer \_\_\_\_\_ Date : \_\_\_\_\_

LOCAL COUNCILS IN ENGLAND AND WALES

ANNUAL RETURN

FOR THE YEAR ENDED 31 March 2017

Woughton Community Council 2016/17

SECTION 1 - THE STATEMENT OF ACCOUNTS

I certify that the accounts contained in this return present fairly the financial position of the council, are consistent with the underlying financial records and have been prepared on the basis of Income and Expenditure.

Responsible Financial Officer

Date

I confirm that these accounts are approved by the Council and recorded as council minute reference

Dated

Signed on behalf of the above Council (Chair)

Date

	<u>Last Year £</u>	<u>This Year £</u>	<u>General Notes for Guidance</u>
1 Balances brought forward	285,044	407,678	Total balances & reserves at the beginning of the year as recorded in the Council Financial Records
2 Annual Precept	342,305	377,980	Total amount of Precept income received in the year
3 Total other receipts	436,878	642,254	Total income or receipts as recorded in the cashbook minus the Precept
4 Staff costs	367,321	611,450	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 expenses
5 Loan interest/Capital repayments	0	8,026	Total expenditure or payments of capital and interest made during the year on the Council borrowings
6 Total other payments	289,229	473,619	Total expenditure or payments as recorded in the cashbook minus employment costs (Line 4) and loan / interest expenditure / payments (Line 5)
7 Balances carried forward	407,678	334,817	Total balances and reserves at the end of the year. [Must equal (1+2+3)-(4+5+6)]
8 Total Cash & Investments	386,324	174,883	The sum of all current and deposit bank accounts, cash holdings and investments held as at 31 March
9 Total Fixed Assets	150,517	150,709	The recorded current book value at 31 March of all tangible fixed assets owned by the Council as recorded in the asset register
10 Total Borrowings	0	142,956	The outstanding capital balances as at 31 March of all loans from third parties (usually PWLB)

The following documents should accompany the accounts when submitted to the auditor:

- \* A brief explanation of significant variations from last year to this year in Section 1;
- \* Bank Reconciliation as at 31 March

## Working details for ANNUAL RETURN - Year ended 31 March 2017

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code and Centre</u>		<u>Code Description</u>
1	265,144	367,778	310	0	General Reserve
1	19,900	19,900	321	0	EM Reserve - Projects
1	<b>285,044</b>	<b>407,678</b>	Total balances & reserves at the beginning of the year as recorded in the Council Financial Records		
2	342,305	0	1076	101	Precept
2	0	377,980	1076	105	Precept
2	<b>342,305</b>	<b>377,980</b>	Total amount of Precept income received in the year		
3	0	6,000	1001	202	Ashby Park Project
3	0	1,825	1074	202	Green Bin Campaign
3	162,004	0	1077	101	Income Grants
3	0	249,948	1079	199	PWLB Loan
3	165	0	1083	101	Carnival Income
3	0	601	1083	105	Carnival Income
3	331	0	1083	202	Carnival Income
3	1,004	0	1089	105	Refund
3	180	0	1089	202	Refund
3	43	0	1089	206	Refund
3	-200	0	1089	208	Refund
3	1,393	0	1090	101	Bank Interest Received
3	14	1,376	1090	105	Bank Interest Received
3	3,825	540	1095	105	Miscellaneous Income
3	12	0	1095	201	Miscellaneous Income
3	400	690	1099	105	Grants Received
3	3,841	950	1099	202	Grants Received
3	0	758	1100	206	Coffee Hall Income
3	27,875	0	1106	209	S.106 Grant funding
3	166,900	166,900	1110	220	Landscape Funding
3	5,321	2,747	1111	105	Hire of facilities
3	0	113	1111	200	Hire of facilities
3	1,385	12,269	1111	202	Hire of facilities
3	10,745	3,558	1111	206	Hire of facilities
3	7,378	8,967	1111	207	Hire of facilities
3	17,517	18,271	1111	208	Hire of facilities
3	7,559	5,943	1111	209	Hire of facilities
3	485	1,308	1112	105	Insurance
3	10,097	0	1146	202	Energy Grant
3	8,000	7,000	1147	202	WCNP Grant - Groundwork
3	0	973	1150	201	Feed the Need
3	0	2,250	1155	201	Community Gardening Grant
3	0	8,392	1156	202	Carnival Grant received
3	0	500	1157	201	Aviva Grant Received
3	0	140,305	1160	105	LCTS Grant
3	15	300	1210	105	Donations Raised
3	26	0	1210	202	Donations Raised



## Working details for ANNUAL RETURN - Year ended 31 March 2017

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code and</u>	<u>Centre</u>	<u>Code Description</u>
3	155	300	1222	101	Holding Deposits
3	406	0	1223	223	Winter Ball Ticket Sales
3	0	2,618	1224	105	Professional Services
3	0	-3,146	1900	105	O/Bal Debtors Written Off
3	<b>Total other receipts</b>	<b>436,878</b>	<b>642,254</b>	Total income or receipts as recorded in the cashbook minus the Precept	
4	89,906	122,420	4100	105	Salaries
4	33,915	56,832	4100	201	Salaries
4	130,995	135,766	4100	202	Salaries
4	7,211	7,529	4100	206	Salaries
4	7,882	7,293	4100	207	Salaries
4	4,479	10,795	4100	208	Salaries
4	7,119	10,541	4100	209	Salaries
4	85,814	117,804	4100	220	Salaries
4	0	30,259	4111	105	Employer NI
4	0	54,632	4112	105	Employer Pension
4	0	35,036	4113	105	PAYE
4	0	17,469	4114	105	Employee Pension
4	0	5,073	4115	105	Employee NICs
4	<b>Staff costs</b>	<b>367,321</b>	<b>611,450</b>	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 expenses	
5	0	8,026	4032	105	Public Works Loan Board
5	<b>Loan interest/Capital repayments</b>	<b>0</b>	<b>8,026</b>	Total expenditure or payments of capital and interest made during the year on the Council borrowings	
6	755	4,125	4000	103	Audit Fees
6	4,407	1,578	4001	101	Accounting Support
6	1,280	0	4002	101	Subs to Publications
6	68	1,406	4002	105	Subs to Publications
6	284	0	4004	103	Membership of Prof Bodies
6	0	370	4004	105	Membership of Prof Bodies
6	10	0	4005	102	Professional Fees
6	2,741	11,074	4005	105	Professional Fees
6	0	219,929	4005	199	Professional Fees
6	0	50	4005	200	Professional Fees
6	1,455	0	4005	202	Professional Fees
6	299	0	4005	206	Professional Fees
6	160	0	4005	207	Professional Fees
6	90	0	4005	209	Professional Fees
6	155	0	4005	224	Professional Fees
6	2,009	0	4006	105	Payroll Processing Fees
6	4,054	7,759	4011	105	Telephone
6	0	160	4011	200	Telephone
6	376	0	4011	201	Telephone

## Working details for ANNUAL RETURN - Year ended 31 March 2017

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code and Centre</u>		<u>Code Description</u>
6	2,388	0	4011	202	Telephone
6	97	0	4011	206	Telephone
6	58	0	4011	207	Telephone
6	198	0	4011	220	Telephone
6	336	0	4012	105	Parish Partnership Fund Expend
6	0	150	4030	201	Feed the Need
6	0	39	4035	201	Community Gardening Grant
6	0	377	4040	202	Ashby Park Project
6	104	0	4049	105	Winter Ball Refund
6	302	0	4049	202	Winter Ball Refund
6	11,471	12,429	4050	102	Members Allowance&Expenses
6	1,634	597	4051	102	Members IT
6	35	37*	4052	102	Events and Hospitality
6	399	916	4052	105	Events and Hospitality
6	0	34	4052	137	Events and Hospitality
6	266	14	4052	201	Events and Hospitality
6	378	65	4052	202	Events and Hospitality
6	325	0	4052	231	Events and Hospitality
6	1,227	460	4053	102	Ward Funding
6	17,280	0	4056	209	S.106 expenditure
6	440	0	4057	202	Less is More Grant Expenditure
6	877	224	4058	105	Refund given
6	100	0	4058	206	Refund given
6	75	0	4058	208	Refund given
6	100	0	4058	209	Refund given
6	60	0	4078	105	Section 137
6	4,825	0	4102	202	Energy Grant Expenditure
6	362	88	4105	102	Travel & Subsistance
6	317	934	4105	105	Travel & Subsistance
6	30	288	4105	201	Travel & Subsistance
6	182	29	4105	202	Travel & Subsistance
6	0	20	4105	220	Travel & Subsistance
6	0	1,459	4107	102	Training
6	4,877	2,879	4107	105	Training
6	125	254	4107	202	Training
6	355	595	4107	220	Training
6	550	0	4108	102	Training - Members
6	1,185	0	4109	105	Advertising (Jobs)
6	35	3,361	4110	102	Stationery & Printing
6	2,644	1,371	4110	105	Stationery & Printing
6	3	0	4110	202	Stationery & Printing
6	195	0	4110	224	Stationery & Printing
6	35	28	4120	102	Miscellaneous Costs
6	-1,113	1,827	4120	105	Miscellaneous Costs
6	205	145	4120	201	Miscellaneous Costs

Continued on Page 4

## Working details for ANNUAL RETURN - Year ended 31 March 2017

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code and Centre</u>		<u>Code Description</u>
6	298	0	4120	202	Miscellaneous Costs
6	104	0	4120	206	Miscellaneous Costs
6	391	0	4120	207	Miscellaneous Costs
6	104	0	4120	208	Miscellaneous Costs
6	9,002	0	4120	209	Miscellaneous Costs
6	231	15	4120	220	Miscellaneous Costs
6	11	0	4120	301	Miscellaneous Costs
6	423	1,607	4122	105	Equipment
6	0	917	4122	199	Equipment
6	0	218	4122	200	Equipment
6	1,403	1,518	4122	201	Equipment
6	439	57	4122	202	Equipment
6	5	0	4122	203	Equipment
6	21	0	4122	206	Equipment
6	273	0	4122	207	Equipment
6	2,790	-1,738	4122	220	Equipment
6	11,820	1,487	4130	105	Insurance
6	409	259	4130	220	Insurance
6	1,830	1,470	4140	105	Computer Maintenance
6	480	0	4141	103	Computer Equipment & Software
6	4,740	1,092	4141	105	Computer Equipment & Software
6	200	1,355	4151	102	Local Initiatives
6	35	0	4152	102	External Communications
6	8,049	9,860	4152	105	External Communications
6	0	1,605	4152	200	External Communications
6	1,481	0	4152	202	External Communications
6	74	0	4152	206	External Communications
6	122	0	4152	208	External Communications
6	408	0	4152	209	External Communications
6	63	0	4152	224	External Communications
6	70	0	4153	104	Notice Boards
6	8	0	4153	105	Notice Boards
6	170	349	4155	105	Affiliations
6	3,666	2,250	4161	105	Electricity
6	0	274	4161	200	Electricity
6	1,789	798	4161	206	Electricity
6	1,135	397	4161	207	Electricity
6	999	1,766	4161	208	Electricity
6	789	471	4161	209	Electricity
6	670	149	4161	220	Electricity
6	792	1,034	4162	105	Cleaning/Cleaning Supplies
6	0	350	4162	199	Cleaning/Cleaning Supplies
6	0	373	4162	200	Cleaning/Cleaning Supplies
6	362	800	4162	206	Cleaning/Cleaning Supplies
6	750	596	4162	207	Cleaning/Cleaning Supplies

Continued on Page 5

## Working details for ANNUAL RETURN - Year ended 31 March 2017

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code and Centre</u>		<u>Code Description</u>
6	830	521	4162	208	Cleaning/Cleaning Supplies
6	436	728	4162	209	Cleaning/Cleaning Supplies
6	22	3	4162	220	Cleaning/Cleaning Supplies
6	0	4,332	4163	206	Gas
6	-15	1,245	4163	207	Gas
6	1,462	699	4163	208	Gas
6	1,388	2,331	4163	209	Gas
6	408	133	4163	220	Gas
6	5,217	2,489	4164	105	Repairs & Maintenance
6	0	4,331	4164	200	Repairs & Maintenance
6	0	43	4164	201	Repairs & Maintenance
6	24	15	4164	202	Repairs & Maintenance
6	3,909	1,091	4164	206	Repairs & Maintenance
6	1,783	289	4164	207	Repairs & Maintenance
6	354	972	4164	208	Repairs & Maintenance
6	1,905	672	4164	209	Repairs & Maintenance
6	4,391	10,783	4164	220	Repairs & Maintenance
6	1,290	0	4165	104	Notice Boards
6	8,050	8,232	4169	105	Replacement/refurbishment
6	0	510	4169	200	Replacement/refurbishment
6	0	131	4169	201	Replacement/refurbishment
6	0	758	4169	206	Replacement/refurbishment
6	1,200	0	4169	207	Replacement/refurbishment
6	9,286	10	4200	105	Lease
6	10,353	10,437	4201	105	Business Rates
6	975	1,428	4201	206	Business Rates
6	1,152	1,162	4201	207	Business Rates
6	3,040	4,673	4201	208	Business Rates
6	1,824	1,839	4201	209	Business Rates
6	2,136	2,154	4201	220	Business Rates
6	5,635	3,238	4202	105	Service Charges
6	33	0	4202	202	Service Charges
6	1,570	1,536	4202	206	Service Charges
6	1,190	-23	4202	207	Service Charges
6	2,063	0	4202	220	Service Charges
6	2,043	0	4203	103	Postage
6	815	2,231	4203	105	Postage
6	0	27	4203	202	Postage
6	708	649	4204	105	External Rents
6	4	0	4204	202	External Rents
6	1,755	0	4204	220	External Rents
6	1,933	2,889	4205	105	Copier Hire
6	17,000	26,011	4207	105	Building Lease
6	3,300	4,890	4207	220	Building Lease
6	1,000	26	4250	105	Projects

## Working details for ANNUAL RETURN - Year ended 31 March 2017

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code and</u>	<u>Centre</u>	<u>Code Description</u>
6	0	12	4250	200	Projects
6	868	6,608	4250	201	Projects
6	12,198	2,851	4250	202	Projects
6	4	0	4250	207	Projects
6	52	0	4250	220	Projects
6	2,724	0	4250	302	Projects
6	442	1,526	4251	105	Equipment Hire
6	0	540	4251	220	Equipment Hire
6	7,803	11,039	4252	202	WCNP Expenditure
6	-225	0	4299	105	Office Accommodation
6	5,598	5,862	4301	202	Carnival & Large Events
6	8,549	13,640	4302	202	Grant Aid
6	783	2,362	4348	105	Vehicle Lease
6	524	262	4348	202	Vehicle Lease
6	1,553	5,275	4348	220	Vehicle Lease
6	-56	230	4349	105	Vehicle Tax
6	491	0	4350	202	Vehicle Purchase
6	281	234	4355	105	Fuel
6	249	369	4355	202	Fuel
6	5,341	6,549	4355	220	Fuel
6	580	0	4356	105	Childcare Vouchers
6	262	0	4361	105	Motor Vehicles
6	0	2,084	4400	105	Dog & Litter Bins
6	0	2,599	4400	202	Dog & Litter Bins
6	1,752	0	4400	302	Dog & Litter Bins
6	0	110	4410	105	Waste Disposal
6	0	100	4410	208	Waste Disposal
6	805	226	4453	105	Water
6	0	237	4453	200	Water
6	298	289	4453	206	Water
6	292	282	4453	207	Water
6	1,269	1,705	4453	208	Water
6	699	740	4453	209	Water
6	241	0	4504	209	Netherfield Expenditure
6	483	0	4703	215	Coffee Hall Grant Expenditure
6	7,400	0	4705	216	Netherfield Regeneration Expen
6	<b>Total other payments</b>	<b>289,229</b>	<b>473,619</b>	Total expenditure or payments as recorded in the cashbook minus employment costs(Line 4) and loan / interest expenditure / payments(Line 5)	
7	<b>Balances carried forwrd</b>	<b>407,678</b>	<b>334,817</b>	Total balances and reserves at the end of the year.[Must equal (1+2+3)-(4+5+6)]	
8	109,992	28,549	201	0	Barclays Bank
8	28	-50	204	0	Petty Cash
8	276,305	146,322	205	0	Base Rate Reward
8	0	63	206	0	Petty Cash - Youth Centre

## Working details for ANNUAL RETURN - Year ended 31 March 2017

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code and Centre</u>	<u>Code Description</u>
8 Total Cash & Investments	386,324	174,883		The sum of all current and deposit bank accounts, cash holdings and investments held as at 31 March
9	150,517	150,709	9 0	Total Fixed Assets
9 Total Fixed Assets	150,517	150,709		The recorded current book value at 31 March of all tangible fixed assets owned by the Council as recorded in the asset register
10	0	142,956	10 0	Total Borrowings
10 Total Borrowings	0	142,956		The outstanding capital balances as at 31 March of all loans from third parties(usually PWLB)

## Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of  
smaller authority here:

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:

	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 on:

and recorded as minute reference:

Signed by Chair at meeting where approval is given:

Clerk:

\*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:

	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			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			Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts			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			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			Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments			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			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			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 long term investments and assets			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:

Date

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

and recorded as minute reference:

Signed by Chair at meeting where approval is given: