

ANNUAL COUNCIL 11 MAY 2016

1. Appointments and Committees

Members are invited to make the following appointments:

Finance Committee (5) Grant Committee (3)

Environmental Working Group (3)

Portas Town Team

Friends of Woodhorn Church

The Northumberland Association of Local Councils

2. Annual Governance Statement

A requirement of the audit process is that an Annual Governance Statement is incorporated in the Annual Return having been considered and approved by the Council and signed by the Chairman and the Town Clerk. The draft statement is attached at Appendix 1 for members' consideration which this year must be done ahead of consideration of the audit and accounting statements.

RECOMMENDED that members consider and approve the Annual Governance Statement.

3. Annual Internal Audit Report

The Annual Internal Audit Report has been received and informs the Town Council that satisfactory financial arrangements are in place. It also supports the Annual Return to the External Auditor to be considered later in the agenda.

The new Internal Auditor Malcolm Wilkinson has reviewed previous reports and information to familiarise himself with the Newbiggin situation. His report is attached at Appendix 2 for members' information and he made no comments or had any matters which he needed to draw to members' attention.

RECOMMENDED that the Internal Audit report be agreed.

4. Annual Accounts and Accounting Statement for 2015/2016

Attached at Appendix 3 are the Final Accounts for the financial year 2015/2016 for members' consideration. This includes actual expenditure against budget heads. The Accounts have been audited and will be available for inspection by the public as required by the legislation. The Accounting Statements set out in Appendix 4 must be endorsed by the Town Council and signed by the Chairperson and Town Clerk. Contingencies and balances are set out in Appendix 5.

RECOMMENDED that members consider the accounts in the light of the Internal Audit Report and confirm the accounting statements.

RECOMMENDED that members consider the accounts in the light of the Internal Audit Report and confirm the accounting statements.

Appendix 1

ANNUAL GOVERNANCE STATEMENT 2015/16

We acknowledge as the members of Newbiggin by-the-Sea Town 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 or No	'Yes' means that this smaller authority:
1. We have put in place arrangements for the effective financial management during the year, and for the preparation of the accounting statements.	YES	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.	YES	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 codes of practice which could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.	YES	Has only done things that it has the legal power to do and has complied with proper practice 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.	YES	During the year has given all persons interested the opportunity to inspect and ask questions about the authority's accounts.
5 We carried out an assessment of the risks facing this Smaller authority and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	Considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems.	YES	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of this smaller authority.
7 We took appropriate action on all matters raised in reports from internal and external audit.	YES	Responded to matters brought to its attention by internal or external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council, and where appropriate have included them in the accounting statements.	YES	Disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9 Trust funds including charitable. In our capacity as the sole managing trustee we have discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	N/A	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 C0 /16/17 dated 11 May 2016.

Newbiggin Town Council 2015/16

Internal Audit Summary

Work Carried Out

Audit testing has been carried out in accordance with the suggested approach contained in the March 2014 edition of "Governance and Accountability for Local Councils – A Practitioners Guide (England), in the areas detailed below.

Areas of Control:

Previous External and Internal Audit Reports
Proper bookkeeping
Standing Orders and Financial Regulations
Risk Management Arrangements
Budgetary Controls
Income Controls
Petty Cash Procedures – system not in place
Payroll Controls
Assets Controls
Bank Reconciliation
VAT claims
Year-End Procedures

Conclusion

The audit testing included examination of documents relevant to amounts and disclosures in the accounts and notes. This evidence was sufficient to give reasonable assurance that the accounts and notes are free from material misstatement as well as demonstrating that there are adequate and effective controls in place.

The audit programme and testing carried out has been used to review the areas of control shown above.

In my opinion the audit work carried out fairly represents the situation of Newbiggin Town Council for the year ended 31 March 2016.

There are no matters to draw to the attention of the Town Council.

I would like to thank Town Clerk for his assistance and for the quality of documentation provided.

Malcolm Wilkinson
Internal Auditor
21st April 2016

Accounts for the year ended 31 March 2016

Appendix 3

Budget	Income	£
	Precept	178,795
	Bank interest	602
	Woodhorn Villa	692
	Project Grants	14,587
	Other Income	<u>2,848</u>
		<u>197,524</u>
	Expenditure	
37,150	ADMINISTRATION - EMPLOYEE COSTS	
	Employee costs NI & pension	<u>30,228</u>
	Sub-Total	<u>30,228</u>
7,955	OFFICE COSTS	
	Office expenses insurance utilities* & IT	<u>3,683</u>
	Sub-Total	<u>3,683</u>
4,590	FEES & CHARGES	
	Audit – Internal & External	685
	Bank charges	175
	Subscriptions fees & charges	822
	Publications & notices	<u>3,054</u>
	Sub-Total	<u>4,736</u>
1,350	CIVIC EXPENSES	
	Remembrance & Councillors Expenses	<u>550</u>
	Sub-Total	<u>550</u>
63,350	LOCAL SERVICES	
	Seasonal Christmas lighting	10,860
	Enhanced Services Partnership including Clean/Repair bus shelters, seats etc.	22,525
	Play area inspections, floral bedding	10,210
	Nipper transport scheme	<u>2,410</u>
	Sub-Total	<u>46,005</u>
27,500	REPAIR & RENEWAL	
	Asset repair & renewals	11,324
	The Bungalow	4,464
	Atlee Park Refurbishment	<u>34,219</u>
	Sub-Total	<u>50,007</u>
41,900	PROJECTS & EVENTS	
	Special events	3,217
	Grants & donations	6,600
	Events Leaflets	1,380
	Young People Activity Events	13,335
	Environmental Projects	<u>14,632</u>
	Sub-Total	<u>39,164</u>
<u>188,795</u>	Total Expenditure	<u>174,374</u>
	Balance as at 31 March 2015	167,928
	Balance as at 31 March 2016	<u>191,078</u>

Appendix 4

Annual Return to 31 March 2016

Accounting Statements for Newbiggin by-the-Sea Town Council

	31 March 2015 £	31 March 2016 £	Figures rounded to nearest £. Report £0 or NIL balance All figures must agree to underlying financial records.
1 Balances brought forward	157,403	167,928	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2 (+) Annual precept	146,445	178,795	Total amount of precept receivable or received in the year.
3 (+) Total other receipts	23,506	18,729	Total receipts or income as recorded in the cashbook less the precept received. Includes any grants.
4 (-) Staff costs	29,871	30,228	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	0	0	Total expenditure or payments of capital and interest made during the year on borrowings (if any).
6 (-) Total other costs	129,554	144,146	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	167,928	191,078	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	186,301	199,945	The sum of all current and deposit bank accounts, cash holdings and short term investments held at 31 March – to agree with bank reconciliation.
9 Total fixed assets and long term assets	164,284	204,485	The original Asset and Investment register value of all fixed assets, plus other long term assets owned by the council as at 31 March.
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Trust funds (including charitable) disclosure note	NO	NO	The council acts as sole trustee for and is responsible for managing trust funds or assets. Note that the figures above do not include any trust transactions

Appendix 5

CONTINGENCIES & BALANCES		Income	Expendi ture	£
Balances at 31 March 2015		186,300		186,300
Receipts				
Precept 2015		178,795		
Grant (S106)		14,587		
Income and receipts		<u>4,142</u>		<u>197,524</u>
				383,824
Expenditure				
To 31/03/2016			<u>174,374</u>	<u>174,374</u>
				209,450
Allocations				
Earmarked contribution to Budget		10,000		
Community Trust Fund		14,587		
Unexpected expenditure contingency		10,000		
Earmarked Legal; Elections; Pension		<u>26,000</u>		<u>60,587</u>
				148,873
Committed Schemes:				
Town Centre Development – Public Toilets & Office (can be paid over two financial years - Arch)		50,000 50,000		
Skate Park flood lighting		25,000		
Total committed from Balances		<u>125,000</u>		<u>125,000</u>
				23,873
31/03/2016 Current Net Balances				<u>23,873</u>