

Local Councils in Wales

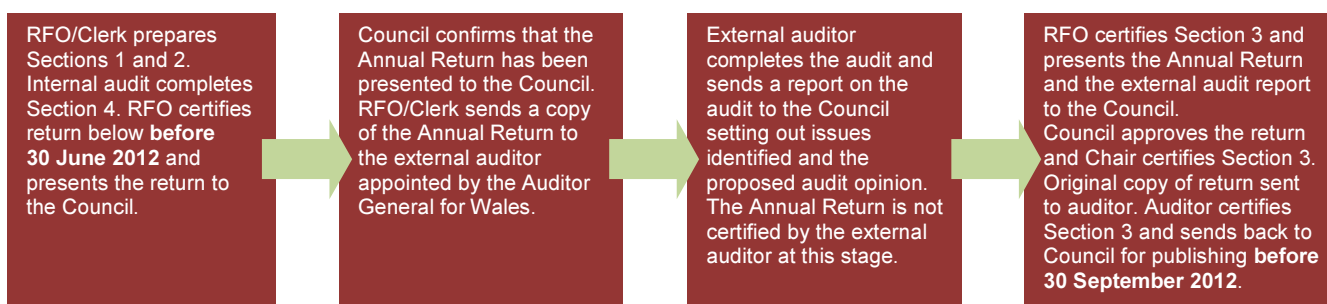
Annual Return for the Year Ended

31 March 2012

Local councils in Wales (town councils and community councils) and their joint committees may complete an Annual Return summarising their annual activities at the completion of each financial year. **Please complete all sections highlighted in green.** Incomplete or incorrect returns may require additional external audit work and incur additional costs.

Further guidance is included in Section 5 and in the One Voice Wales/SLCC Guidance publication *Governance and accountability for local councils in Wales – A Practitioners' Guide (2011)* (the Practitioners' Guide). Section 2 includes references to where the Guide has further information.

The accounts and audit arrangements follow the process as set out below. **The Responsible Financial Officer (RFO) MUST sign the certificate on this page before 30 June. Note the earlier dates for this year.** Councils are requested to complete the confirmation below before the Clerk submits a copy of the Annual Return to the auditor. The RFO will certify Section 3 and the Council will approve the Annual Return and sign Section 3 at the conclusion of the audit following receipt of the external auditor's report.



Responsible Financial Officer Certificate

Certificate under Regulation 8B (1) and 8B(2) Accounts and Audit (Wales) Regulations 2005 (as amended)

I certify that the accounting statements contained in Section 1 of this Annual Return present fairly the financial position of the Joint Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2012.

Certification prior to audit:

Signature: _____ N Young _____

Date: _____ 27.6.2012 _____

Joint Committee confirmation prior to audit

The Annual Return for **INSERT NAME** 2011
March 2012 was presented to the Joint Committee on:

29th June 2012

Section 1: Following certification by the RFO, the accounting statements in Section 1 were presented to the Joint Committee

Section 2: The Annual Governance Statement has been presented to the Joint Committee. To the best of our knowledge and belief, and subject to your audit findings, the responses to each statement of assurance in Section 2 are accurate, complete and represent the Joint Committee's final responses.

Signed by Chair: _____ K J Geary _____

Name: _____ Cllr K J Geary

Date: _____ 29.6.12

Signed by Clerk: _____ Chris Howell

Name: _____ C Howell

Date: _____ 29.6.12

Please send a copy of the Annual Return, together with any additional information requested, to your appointed external auditor. Unless requested, please **do not** send any original financial records to the external auditor.

Audited and certified returns are sent back to the Joint Committee for publication or display of Sections 1, 2 and 3.

Section 1 – Accounting statements for

| COYCHURCH CREMATORIUM | | | JOINT COMMITTEE |
|---|-----------------------|-----------------------|---|
| | Year ending | | Notes and guidance for compilers |
| | 31 March 2011 £ | 31 March 2012 £ | Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the Joint Committee's underlying financial records for the relevant year. |
| 1. Balances brought forward | 124,000 | 322,000 | Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to Line 7 of the previous year. |
| 2. (+) Income from local taxation and/or levy | 0 | 0 | Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body. |
| 3. (+) Total other receipts | 955,000 | 890,000 | Total income or receipts recorded in the cashbook minus the precept. Includes support, discretionary and revenue grants. |
| 4. (-) Staff costs | 231,000 | 234,000 | 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 related expenses. |
| 5. (-) Loan interest/capital repayments | 50,000 | 50,000 | Total expenditure or payments of capital and interest made during the year on the Joint Committee's borrowing (if any). |
| 6. (-) Total other payments | 476,000 | 513,000 | Total expenditure or payments as recorded in the cashbook minus staff costs (Line 4) and loan interest/capital repayments (Line 5). |
| 7. (=) Balances carried forward | 322,000 | 415,000 | Total balances and reserves at the end of the year. Must equal $(1+2+3) - (4+5+6)$. |
| 8. (+) Debtors and stock balances | 137,000 | 121,000 | Income and expenditure accounts only: Enter the value of debts owed to and stock balances held at the year-end. |
| 9. (+) Total cash and investments | 199,000 | 317,000 | All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation. |
| 10. (-) Creditors | 14,000 | 23,000 | Income and expenditure accounts only: Enter the value of monies owed by the Joint Committee (except borrowing) at the year-end. |
| 11. (=) Balances carried forward | 322,000 | 415,000 | Total balances should equal Line 7 above: Enter the total of $(8+9-10)$. |
| 12. Total fixed assets and long-term assets | 2,647,000 | 2,601,000 | The recorded current book value at 31 March of all fixed assets owned by the Joint Committee and any other long-term assets – eg, loans to third parties, other investments to be held for the long term ie, more than 12 months. |
| 13. Total borrowing | 371,000 | 323,000 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |
| 14. Trust funds | N/a | N/a | The Joint Committee acts as sole trustee for and is responsible for |

**disclosure
note**

managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).

Section 2 – Annual Governance Statement

We acknowledge as the members of the Joint Committee 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 Joint Committee's accounting statements for the year ended 31 March 2012, that:

| | Agreed – Yes or No* | 'YES' means that the Joint Committee: | PG Chap. |
|---|------------------------|--|-------------|
| 1. We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005 (as amended) and proper practices. | YES | Prepared its accounting statements in the way prescribed by law. | 6, 12 |
| 2. We have 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. | 6, 7 |
| 3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Joint Committee to conduct its business or on its finances. | YES | Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so. | 6 |
| 4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005 (as amended). | YES | Has given all persons interested the opportunity to inspect and ask questions about the Joint Committee's accounts. | 6, 23 |
| 5. We have carried out an assessment of the risks facing the Joint Committee 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 in the operation of the Joint Committee and has dealt with them properly. | 6, 9 |
| 6. We have maintained an adequate and effective system of internal audit of the Joint Committee's accounting records and control systems throughout the year and have received a report from the internal auditor. | 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 the Joint Committee. | 6, 8 |
| 7. We have taken appropriate action on all matters raised in previous reports from internal and external audit. | YES | Has responded to matters brought to its attention by internal and external audit. | 6, 8, 23 |
| 8. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Joint Committee and, where appropriate, have included them on the accounting statements. | YES | Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant. | 6 |
| 9. Trust funds – in our capacity as trustee we have: Discharged our responsibility in relation to the accountability for the fund(s) 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. | 3, 6 |

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Section 3 – Certification and approval

Joint Committee approval and certification following the audit

The Joint Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005 (as amended) and for the preparation of an Annual Return which:

- summarises the Joint Committee's accounting records for the year ended 31 March 2012; and
- confirms and provides assurance on those matters that are important to the external auditor's responsibilities.

Certification by the RFO

Certificate under Regulation 8 Accounts and Audit (Wales) Regulations 2005 (Regulation 8B (1), 8B (2) and 8B(3))

I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Joint Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2012.

RFO signature: _____

Name: _____

Date: _____

Approval by the Joint Committee

Approval of accounting statements under Regulation 9 (3) Accounts and Audit (Wales) Regulations 2005 (as amended) and the Annual Governance Statement

I confirm that these accounting statements and Annual Governance Statement were approved by the Joint Committee under Joint Committee minute reference:

INSERT MINUTE REFERENCE HERE

Chair signature: _____

Name: _____

Date: _____

External Audit Certificate

The external auditor conducts the audit in accordance with guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2012 of:

COYCHURCH CREMATORIUM

JOINT COMMITTEE

External auditor's report

[Except for the matters reported below]* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

[[These matters along with]* Other matters not affecting our opinion which we draw to the attention of the Joint Committee/meeting are included in our report to the Joint Committee dated _____] * (* delete as appropriate).

External auditor's signature:

External auditor's name:

Date:

Section 4 – Annual internal audit report to

COYCHURCH CREMATORIUM

JOINT COMMITTEE

The Joint Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2012.

The internal audit has been carried out in accordance with the Joint Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Joint Committee.

| | Agreed? Yes/No*/Not covered** |
|--|-------------------------------------|
| A Appropriate books of account have been properly kept throughout the year. | YES |
| B The Joint Committee's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for. | YES |
| C The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | YES |
| D The annual precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate. | YES |
| E Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for. | YES |
| F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for. | NOT COVERED |
| G Salaries to employees and allowances to members were paid in accordance with Joint Committee approvals, and PAYE and NI requirements were properly applied. | YES |
| H Asset and investment registers were complete and accurate, and properly maintained. | NOT COVERED |
| I Periodic and year-end bank account reconciliations were properly carried out. | YES |
| J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded. | YES |
| K Trust funds (including charitable trusts). The Joint Committee has met its responsibilities as a trustee. | N/A |

For any risk areas identified by the Joint Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

| | |
|---|----------|
| E. One instance of overstated VAT by £1,000 resulting in an overpayment to HMRC | Adequate |
| F. Not covered as considered very low risk | |
| G. One issue relating to benefits in kind which has been addressed | Adequate |
| H. Not covered as considered duplication of effort as External Audit would verify | |

| | |
|---|----------------------------|
| Name of person who carried out the internal audit: | Helen Smith |
| Signature of person who carried out the internal audit: | Helen Smith |
| Date: | 26 th June 2012 |

* If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

Section 5 – Guidance notes on completing the 2012 Annual Return

1. For guidance please read the Practitioners' Guide (*Governance and accountability for local councils: A Practitioners' Guide 2011 (Wales)*) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. **The Wales Audit Office Good Practice Exchange (www.wao.gov.uk/2594.asp) provides further information on the accounts and audit process along with guidance on governance matters.**
3. Please make sure that Sections 1, 2 and 4 are completed (ie, no empty green boxes) by the appropriate person and the certificates on page 1 are properly signed and dated. Avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are properly initialled and an explanation for them is provided to the auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited.
4. Use the checklist provided below. Use a second pair of eyes, perhaps your internal auditor or the Chair, to review your Annual Return for completeness before sending a copy to the auditor.
5. Make sure that the copy of the bank reconciliation you send to your auditor with the copy Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Joint Committee holds any investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to Line 9 in Section 1. More help on bank reconciliation is available in the Practitioners' Guide*.
6. Please **explain fully** any significant variances in the accounting statements. The auditor wants to know that **you** understand the reasons for the change. Please include a relevant and quantified analysis as shown in the Practitioners' Guide examples and not just a copy of your detailed accounts.
7. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful. Please ensure that you enclose all the information that the auditor has asked for. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances this may incur additional costs for which the auditor is entitled to charge additional fees.
8. Please make sure that Section 1 adds up! Also please ensure that the balance carried forward from the previous year (Line 7 of 2010) equals the balance brought forward in the current year (Line 1 of 2012).
9. **Do not complete the External Audit Certificate in Section 3.** The external auditor completes this after the Joint Committee approves the Annual Return following receipt of the external auditor's matters arising report.
10. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit to the Joint Committee.

| Completion checklist – 'No' answers mean that you may not have met requirements | | Done? |
|---|---|--------|
| Initial submission to the external auditor | | |
| Accounts | Has the RFO certified the front page (Regulation 8B (1) and 8B (2)(a)) no later than 30 June 2012? | YES/NO |
| | Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year? | YES/NO |
| | Does the bank reconciliation as at 31 March 2012 agree to Line 9? | YES/NO |
| All sections | Have all green boxes in Sections 1 and 2 been completed and explanations provided where needed? | YES/NO |
| | Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor. | YES/NO |
| Final submission to the external auditor after receipt of external auditor's report on matters arising | | |
| Accounts | Has the RFO certified Section 3 (Regulation 8B (2)(b)) before the Joint Committee approves the Annual Return? | YES/NO |
| Audit report | Has the Joint Committee received and considered the external audit report before approving the Annual Return? | YES/NO |
| Approval | Has the Chair signed and dated Section 3 in time to allow the auditor to certify Section 3 and return to the Joint Committee no later than 30 September 2012? | YES/NO |

