

Section 1 – Accounting statements for

SNETTISHAM PARISH COUNCIL

Readers should note that throughout this annual return references to a 'local council' or 'council' also relate to a parish meeting.

	Year ending		Notes and guidance
	31 March 2010 £	31 March 2011 £	
1 Balances brought forward	2,042	814	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	45,000	47,000	Total amount of precept received or receivable in the year.
3 (+) Total other receipts	59,472	53,959	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	36,653	35,705	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	3,385	3,258	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) All other payments	65,662	47,008	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	814	15,802	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	814	15,802	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets and long term assets	65,000	65,000	The recorded book value at 31 March of all fixed assets owned by the council and any other long term assets e.g. loans to third parties and any long term investments.
10 Total borrowings	16,250	45,000	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Trust funds (including charitable) disclosure note	YES	YES	The council acts as sole trustee for and is responsible for managing trust funds or assets. (Readers should note that the figures above do not include any trust transactions.)

I certify that for the year ended 31 March 2011 the accounting statements in this annual return present fairly the financial position of the council and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

 REQUIRED

Date 28/06/2011

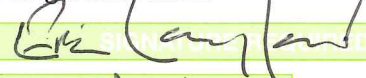
I confirm that these accounting statements were approved by the council on:

01/06/2011

and recorded as minute reference:

M11.06.15 F)

Signed by Chair of the meeting approving these accounting statements.

 REQUIRED

Date 28/06/2011

Section 2 – Annual governance statement

We acknowledge as the members of **SNETTISHAM PARISH COUNCIL** our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2011, that:

	Agreed – Yes or No*	'Yes' means that the council:
1 We have approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	Yes	prepared its accounting statements in the way prescribed by law.
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.
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 council 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.
4 We have 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 council's accounts.
5 We have carried out an assessment of the risks facing the council 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 have 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 internal controls meet the needs of the council.
7 We have taken appropriate action on all matters raised in reports from internal and external audit.	Yes	responded to matters brought to its attention by internal and external audit.
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 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.	Yes/NO Yes	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by the body and recorded as minute reference

11.06.15f) REFERENCE

dated 29/06/2011

Signed by:

Chair

dated

Signed by:

Clerk

dated

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

Section 3 – External auditor's certificate and opinion

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2011 of

SNETHISHAM PARISH COUNCIL

Respective responsibilities of the council and the auditor

The council is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The council prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2011; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

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 the Audit Commission's requirements and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Please refer to the attached report dated 13 September 2011

Other matters not affecting our opinion which we draw to the attention of the council:

1. In the course of our audit work, we confirmed that the Council does have a number of trust funds for which it is sole managing trustee. It is unclear whether the transactions relating to these funds were excluded from the Council's accounts. We understand that this matter is currently being investigated.
2. The value of assets in Section 1, Box 9 should equal the total value of assets shown in the asset register, which should not be reduced by the value of the outstanding PWLB loan. The correct figure should be £73,750.
3. The capital value of loans outstanding in Section 1 Box 10 should be £43,750 (i.e. the £30,000 loan from King's Lynn Borough Council, plus the outstanding PWLB loan balance of £13,750).

External auditor's signature:

Mazars LLP

External auditor's name:

Mazars LLP, Southampton, SO15 2BE

Date:

13/9/2011

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

Section 4 – Annual internal audit report to

SNETHISHAM PARISH COUNCIL

The council's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2011.

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

Internal control objective	Agreed? Please choose from one of the following Yes/No*/Not covered**
A Appropriate books of account have been kept properly throughout the year.	NO
B The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	NO
C The council 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.	NO
F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	YES
G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	NO
H Asset and investments registers were complete and accurate and properly maintained.	NO
I Periodic and year-end bank account reconciliations were properly carried out.	YEAR-END ONLY
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	NO
K Trust funds (including charitable) The council met its responsibilities as a trustee.	YES/NO/NA

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

SEE ENCLOSED LETTER

Name of person who carried out the internal audit

ROGER R. CANWELL

Signature of person who carried out the internal audit

[Signature]

Date 23/06/2011

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

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

Snettisham Parish Council

Audit of the Annual Return for the year ended 31 March 2011

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 the Audit Commission's requirements and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

In approving Section 2 of the Annual Return, the Council has confirmed that it was satisfied with the internal control and governance arrangements in place. However, whilst action had been taken to ensure that appropriate arrangements were in place by the year end, this had not been the case earlier in the year.

In a letter to the Council which was issued in conjunction with the Annual Internal Audit Report (Section 4 of the Annual Return), the independent examiner has stated that the weaknesses in internal control and governance arrangements identified in relation to the 2009/10 financial year had continued until the appointment of the temporary Clerk and RFO part way through the 2010/11 financial year. He found that there was a lack of an audit trail to satisfactorily explain many transactions in the first part of the year and that there were ongoing issues with HMRC in relation to arrears of PAYE and National Insurance

It will be important for the Council to ensure that it maintains adequate and effective arrangements in the future.

Mazars LLP

Mazars LLP
External auditors
Southampton, SO15 2BE

13 September 2011