

121 Colchester Road
West Bergholt
Colchester
CO6 3JX

8th June 2018

Mr D Williams
Clerk
Great Tey Parish Council
Greenlands Farm
Lamberts Lane
Earls Colne
CO6 2LE

Dear David,

Great Tey Parish Council
Annual return for the year to 31 March 2018

Thank you for providing me with all the relevant Parish Council records including minutes and budgets to undertake the Internal audit and completion of the Annual return required for Local Councils in England.

The accounts were approved at a meeting of the Parish Council on 8 May 2018. The details were all recorded on the relevant sections of Annual return and signed with the minute reference being confirmed before submission on 11 June 2018.

Annual return - Section 1 - Annual governance statement

In my audit work I have seen that all the parts requiring completion in Section 1 as the Annual governance statement have been completed in the affirmative.

Annual return - Section 4 - Internal audit report

Although there are a number of procedural changes adopted under the Local Audit and Accountability Act 2014 the Annual return details remain the same as for last year.

In my work I have reviewed the formal minutes, cash book and accounting records of the Council and the accounts prepared for the year to 31 March 2018 with 31 March 2017 as the corresponding year.

I have reviewed the updated Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements dated March 2018 (NALC.gov.uk) and in particular the non-statutory guidance for internal audit at smaller authorities. I have completed my tests on the finalised accounts after the year end. This process, without being involved during the year, appears appropriate in this Council's case. Having considered the areas to be covered, I have found sufficient assurance that proper practices have been met throughout the year.

The section on Petty Cash has been marked as "Not applicable" as the Parish Council does not hold any cash.

I note that the parish clerk's employment as an office holder with those payments subject to PAYE has been operated properly throughout the year. The Council is aware of Auto Enrolment as an employer.

The 2016 Practitioners' Guide included a change in guidance regarding asset valuation, with the requirement to follow a consistent policy. This Parish Council had more recently used Insurance valuations - resulting each year in the recording of small changes. As the most common method which is recommended is recording at cost and not depreciating those costs - for you to have fixed at the 2016 valuation figure appeared reasonable. At the same time you are continuing to depreciate the value of the Play Area surface at £3,058 per annum, which is a consistent policy, and this leaves a useful life of one further year. The new gate and bollards for the Harold Fairs recreation Ground have been recorded at cost this year.

From my review of the minutes and the Council's full consideration of budgeting and future costs as well as insurable risks throughout the year, I feel that the Council has properly assessed and managed the significant risks which they have identified as being within their area of responsibility.

No other areas of risk have been identified by me from the matters seen during my review.

Accounts Preparation

The cash book is prepared as part of the formal accounts of the Council for the year and it is a requirement of the Accounting regulations that this forms part of the published Parish Council Accounts.

The Summary Income and Expenditure Account are prepared on a Payments and Receipts basis (without provision for debtors, creditors, accruals and prepayments), although provision is made for the VAT recovery.

Your clear disclosure of Cumulative Funds shows the balance sheet totals in line with the Annual return details reported to the External auditor. The sum due from HMRC in respect of the recovery of input VAT outstanding at the year end is included and reflects the assets of the Parish Council on the Balance Sheet.

Annual return - Section 1 - Accounting statements

The final figures for the Annual return agree to extractions from the accounts as below:

		Last year			
		2016/17	2017/18	Variance	
		£	£	%	£
1	Balances b/f	16,624	15,383	-7	
2	Annual Precept	16,368	17,276	6	
3	Total other receipts	5,173	3,961	-23	1,212
4	Staff costs	5,555	5,610	1	
5	Loan/capital payments	0	0		
6	Total other payments	17,227	10,322	-40	6,905
7	Balances c/f	15,383	20,688	34	
8	Total cash and investments	15,383	20,688	34	
9	Total fixed assets	55,194	54,931	0	263
10	Total borrowings	0	0		
11	Trust funds disclosure note	Yes	Yes		

In addition to the provision of certain figures within the Annual return you are required to provide details of any significant variances between the two years. As for last year I have prepared a schedule in line with the guidance notes, which you may like to use.

Other matters

The VAT recovery at the year end amounts to £125.83 (2017 : £13.32) which will, I assume, be received after the year end, and is ignored on the accounting statements in section 1 recorded above.

S137 of the Local Government Act 1972 allows a Local Authority to spend a limited amount on activities for which it has no specific power, but which the Authority considers "will bring direct benefit to the area, or any part of it or all or some of its inhabitants".

This has been correctly reported in the accounts and payments are as extracted from the cash book records.

Subject to the agreed entry required, I confirm that Sections 1 and 2 of the Annual return are in accordance with my review of the Parish Council records and I believe that the completed Annual return can be "forwarded" to the External auditor.

Once again I should like to thank you for your kind assistance with my review for the year.

With kind regards

Yours sincerely

L C Tippett