

# **MORECAMBE TOWN COUNCIL**

## **RECEIPTS AND PAYMENTS FINANCIAL ACCOUNTS**

**2011/12**

The Town Council's financial accounts for the year ending 31<sup>st</sup> March, 2012 are set out on pages 2 to 5 and include various explanatory notes in accordance with Government and Accountability for Local Councils.

These Accounts are prepared under the Accounts and Audit (England) Regulations 2011, and are published subject to Audit by. It is expected that the current Audit will be completed by the end of July, 2012.

The Town Council has approved these accounts by Resolution at its meeting held on 21<sup>st</sup> June, 2012.

David Croxall  
Town Clerk and Responsible Financial Officer  
21<sup>st</sup> June, 2012

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### **INTERNAL AND EXTERNAL AUDIT**

#### **Internal Audit**

Independent Internal Audit is contracted on an annual basis to Neil Leadbetter and comprises of two audit inspections, October to audit the first half year accounts and the following April to audit the second half year accounts along with the draft Final Accounts and Annual Return. At the end of each year the Independent Internal Auditor also completes Section 4 of the Annual Return which is then submitted to the External Auditor.

#### **External Audit**

The External Auditor appointed by the Audit Commission is BDO, Arcadia House, Maritime Walk, Ocean Village, Southampton SO14 3TL. The Annual Return which summaries the Town Councils Annual activities at the completion of each financial year are submitted with supporting information and are Audited and Certified before return to the Council for publication in accordance with the Accounts and Audit Regulations.

**The Certified Annual Return** is attached as "Appendix A" to these Accounts

**MORECAMBE TOWN COUNCIL****INCOME AND EXPENDITURE ACCOUNT for the year ended 31 MARCH, 2012**

	<b>31st March, 2012</b>		<b>31st March, 2011</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOME</b>				
Parish Precept		220,500.00		220,500.00
<b>OTHER INCOME</b>				
Deposit Account Interest		201.85		202.86
Transfer from Closed Bank Account		10.52		0
VAT Refunds for 2009/2010 & 2010/11		7,510.52		0
<b>TOTAL INCOME</b>		<b>228,222.89</b>		<b>220,702.86</b>
<b>EXPENSES</b>				
PCSO	67,608.00		44,000.00	
Festivals and Events	78,698.62		49,000.00	
Miscellaneous Grants	10,352.28		32,243.25	
Grants	0.00		3,909.17	
More Music Grant	5,000.00		0.00	
Green Street Church Grant	968.08		0.00	
Litter Picking	525.00		0.00	
Youth Forum	3,500.00		0.00	
Jubilee Street Party	337.50		0.00	
Training	500.00		0.00	
Bare Ward Budget	2,413.00		0.00	
Harbour Ward Budget	2,835.00		0.00	
Heysham North Budget	2,900.95		0.00	
Poulton Ward Budget	3,262.28		0.00	
Torrisholme Ward Budget	11,228.00		0.00	
Westgate Ward Budget	582.40		0.00	
Contingency Fund	1,330.10		0.00	
Section 137 Expenditure	456.67		0.00	
		<b>192,497.88</b>		<b>129,152.42</b>
<b>GENERAL EXPENSES</b>				
Wages and Clerical Support	29,002.67		14,260.23	
Postage and Stationery	1,240.37		3,273.77	
Telephone	789.77		1,502.27	
Room Hire	1,007.80		728.91	
Office Rent	2,550.00		3,825.00	
Insurance	452.98		595.14	
Subscriptions	2,048.86		2,881.84	
Photocopier	4,470.30		5,563.58	
Audit and Accountancy	975.00		1,381.00	
External Audit Fees	900.00		1,086.88	
Legal Fees	0.00		350.00	
Website Costs	0.00		988.82	
Rates	0.00		140.43	
Sundries	66.75		125.00	
Depreciation	0.00		810.52	
		<b>43,504.50</b>		<b>37,513.39</b>
<b>NET SURPLUS FOR PERIOD</b>		<b>(7,779.49)</b>		<b>54,037.05</b>

**Note: The net deficit of expenditure over income has been funded through the Council's reserves in its Bank Accounts as set out on the Balance Sheet**

**BALANCE SHEET as at 31st MARCH,  
2012**

	<b>31st March 2012</b>		<b>31stMarch 2011</b>	
<b>FIXED ASSETS</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Assets		9,727.80		1,039.00
 <b>CURRENT ASSETS</b>				
Bank Current Account		(54.63)		20,931.16
Bank Deposit Account		208,116.73		187,581.88
Debtors (VAT)		4,404.89		1,566.80
		<u>212,466.99</u>		<u>210,079.84</u>
 <b>CURRENT LIABILITIES</b>				
Creditors		12,388.75		1,417.75
		<u>12,388.75</u>		<u>1,417.75</u>
		200,078.24		208,662.09
<b>NET ASSETS</b>		<u><u>209,806.24</u></u>		<u><u>209,701.09</u></u>

The above statement represents fairly the financial position of the Authority as at 31<sup>st</sup> March, 2012, and reflects the Income and Expenditure during the year ended.

Approved by Council on 21<sup>st</sup> June, 2012.

Councillor D. Kerr  
Chairman

David Croxall  
Responsible Finance Officer

**MORECAMBE TOWN COUNCIL ASSET REGISTER AS AT 30/4/2012**

Item	Date purchased	Serial No. Serial Number (If appropriate)	Where Held/Stored/Sited	Value (£)
Computer and Accessories	2010		Town Council Office	1,751.85
Office Furniture	2011		Town Council Office	681.52
High Visibility Jackets	03/10/2011		Town Council Office	327.00
Handiloops for Litter Picking	09/01/2012		Town Council Office	141.83
8 Litter Bins	15/3/2012 (4)		Happy Mount Park x 1	2,000.00
	15/2/2012(4)		Morecambe Street x 2	
			Townley Street x 1	
			Torrisholme x 4	
3 pieces Play Equipment	15/03/2012		Torrisholme Park	2,133.00
Benches	15/02/2012		Happy Mount Park x 1	756.00
			Edward Street x 1	
Christmas Tree Lights	22/11/2011		White Lund Depot c/o LCC	651.6
4 Penguin Litter Bins	26/09/2011		Happy Mount Park	1,285.00
<b>TOTAL</b>				<b>9,727.80</b>

**APPENDIX A**

**Section 1 – Accounting statements for**

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 2011 £	31 March 2012 £	
1 Balances brought forward	154,496	208,662.00	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	220,500	220,500	Total amount of precept received or receivable in the year.
3 (+) Total other receipts	203	7,722.89	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	12,663	29,002.67	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	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) All other payments	153,874	206,999.71	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	208,662	200,882.51	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	208,513	208,662.30	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	1,039.00	9,727.80	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	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Trust funds (including charitable) disclosure note	YES ✓	NO ✓	<b>Disclosure Note:</b> 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 2012 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

Date 21/06/2012

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

21/06/2012

and recorded as minute reference:

Signed by Chair of the meeting approving these accounting statements.

Date 21/06/2012

## Section 2 – Annual governance statement

We acknowledge as the members of:

**MORECAMBE 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 2012, that:

	Agreed –		‘Yes’ means that the council:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		prepared its accounting statements in the way prescribed by law.
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 codes of practice that could have a significant financial effect on the ability of the council to conduct its business or on its finances.	✓		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 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 has given all persons interested the opportunity to inspect and ask questions about the council’s accounts.
5 We carried out an assessment of the risks facing the council 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 council 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 the council.
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 the council 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 Trust funds (including charitable) – in our capacity as the sole managing trustee we 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	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 council and recorded as minute reference

dated 21/06/2012

Signed by:

Chair

dated 21/06/2012

Signed by:

Clerk

dated 21/06/2012

**\*Note:** Please provide explanations to the external auditor on a separate sheet for each ‘No’ response. Describe how the council will address the weaknesses identified.

## Section 4 – Annual internal audit report to

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 2012.

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.	✓		
B The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	✓		
H Asset and investments registers were complete and accurate and properly maintained.	✓		
I Periodic and year-end bank account reconciliations were properly carried out.	✓		
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.	✓		
K Trust funds (including charitable) The council met its responsibilities as a trustee.			Not applicable ✓

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

Print name of person who carried out the internal audit NEIL LEADBETTER  
 Signature of person who carried out the internal audit N. Leadbetter Date 22/5/12

\*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).

## WARD BUDGETS 2011/12

The Council originally set aside £100,000 in total across the wards. During the year the following expenditure was approved by Council to be transferred out of the Ward Budgets as follows:

Item	Original Ward Budget	Amount (£)	Date Agreed by Council
Community Festivals	Bare - £3,500 Harbour - £1,500 Heysham North - £1,500 Poulton - £1,750 Torrisholme - £750	9,000.00	20/10/11 see below 17/11/11
Notice boards	Bare - £700 Harbour - £700 Heysham North - £700 Poulton - £1,500 Torrisholme - £1,000 Westgate - £700	5,300.00	17/11/2011 16/2/2012
Website Design	Equally from all (£333.33)	2,000.00	15/12/2011
John McGuinness Award	Equally from all (£50)	300.00	20/10/11
Remembrance Wreath	Equally from all (£10)	60.00	17/11/11
Jubilee Street Party	Poulton	1,000.00	15/9/2011
Regent Park Redevelopment	Harbour	10,000.00	16/2/2012 and
Rail Information Sign – Bare Station	Equally from Bare and Torrisholme (£2,500)	5,000.00	15/12/2011
Feasibility Study – Sandylands Boating Pool	Heysham North	5,000.00	16/2/2012
Olympiadathon	Equally from all (£675)	4,050.00	15/12/2011
Flag Pole	Equally from all (£600)	3,600.00	16/02/2012
Senior Citizen Engagement	Poulton	5,000.00	15/9/2011 16/2/2012
<b>TOTAL</b>		<b>50,310.00</b>	



**Breakdown of Community Festivals being funded from the £9,000 taken from Ward budgets 2011/12 and carried forward to 2012/13**

<b>Festival</b>	<b>Original Ward Budget</b>	<b>Amount (£)</b>
Bare Festival	Bare	1,500.00
Happy Mount Park Olde English Festival	Bare	1,000.00
Happy Mount Park Halloween	Bare	1,000.00
Torrisholme Folk	Torrisholme	750.00
Poulton Heritage	Poulton	750.00
Tutti Frutti (guarantee against loss)	Poulton	1,000.00
West End	Harbour	750.00
West End	Heysham North	750.00
Winter Lantern	Harbour	750.00
Winter Lantern	Heysham North	750.00

**Items of Committed Budget Carried forward from 2011/12 to 2012/13**

<b>1.</b>	<b>Noticeboards</b>	<b>-</b>	<b>£5,300</b>
<b>2.</b>	<b>Sandylands Paddling Pool Feasibility Study</b>	<b>-</b>	<b>£5,000</b>
<b>3.</b>	<b>Flag Pole on Stone Jetty</b>	<b>-</b>	<b>£3,600</b>
<b>4.</b>	<b>Rail Information Sign at Bare Station</b>	<b>-</b>	<b>£5,000</b>
<b>5.</b>	<b>Senior Citizen Engagement</b>	<b>-</b>	<b>£5,000</b>
<b>6.</b>	<b>Westgate By-Election (December 2011) (invoice not yet received)</b>	<b>-</b>	<b>£5,000</b>
<b>7.</b>	<b>Westgate Ward Budget – Play Equipment and Community Garden</b>	<b>-</b>	<b>£11,000</b>
<b>8.</b>	<b>Regent Park Redevelopment</b>	<b>-</b>	<b>£10,000</b>