

**MORECAMBE TOWN COUNCIL**  
**STATEMENT OF FINANCIAL ACCOUNTS**  
**2012/13**

The Town Council's financial accounts for the year ending 31<sup>st</sup> March, 2013 are set out on inside this booklet.

These Accounts are prepared under the Accounts and Audit (England) Regulations 2011, and are published subject to Audit by.

The Town Council has approved these accounts by Resolution at its meeting held on ????, 2013.

David Croxall  
Town Clerk and Responsible Financial Officer  
23<sup>RD</sup> May, 2013

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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. The annual Internal Audit visit and inspection took place on 14<sup>th</sup> May at which the Responsible Finance Officer was present. The Internal Auditor's report will be published once received.

**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 & Expenditure Account 2012/13**

(Last) Year Ended  
31 Mar 2012

(Current) Year Ended  
31 Mar 2013

		<u>Income</u>	
0		Staffing and Administration	2,082.07
0		Jubilee Street Party	1,039.00
0		Contingency Fund	385.60
201.85		Bank Interest Income	508.02
220,500.00		Annual Precept	220,700.00
10.52		Transfer from Closed A/c	0
0		Healthy Streets	5,500.00
0		West End Christmas Lights	1,000.00
7,510.52		VAT Refunds	0
			<hr/> <b>£231,214.69</b> <hr/>
			<hr/> <b>£228,222.89</b> <hr/>

		<u>Expenses</u>	
43,504.50		Staffing and Administration	55,928.50
500.00		Training	1,471.50
2,413.00		Bare Ward Budget	0.00
2,835.00		Harbour Ward Budget	736.92
2,900.95		Heysham North Ward Budget	736.92
3,262.28		Poulton Ward Budget	1,192.51
11,228.00		Torrisholme Ward Budget	180.00
582.40		Westgate Ward Budget	7,880.00
0.00		Notice Boards	4,919.77
78,698.62		Festivals	79,537.39
0.00		Allotment Bin	169.32
525.00		Litter Picking	633.30
10,352.28		Miscellaneous Grants	8,052.22
3,500.00		Youth Engagement	2,969.82
0.00		Arson Reduction Vehicle	3,300.00
337.50		Jubilee Street Party	2,648.50
0.00		Regent Park Redevelopment	10,000.00
968.08		Green Street Church Grant	0.00
5,000.00		More Music Grant	0.00
67,608.00		PCSOs	67,608.00
456.67		Section 137 Expenditure	50.00
1,330.10		Contingency Fund	11,028.51
0.00		Punch and Judy	5,000.00
0.00		Healthy Streets	1,190.88
0.00		West End Christmas Lights	1,000.00
0.00		Portas Town Team	5,314.90
			<hr/> <b>£271,548.96</b> <hr/>
		Balance at 01 Apr	<b>200,078.96</b>
		ADD Total Income	231,214.69
			<hr/> 431,293.65 <hr/>
		DEDUCT Total Expenditure	271,548.96
			<hr/> 159,744.69 <hr/>
		Reserve: Office & Building Fund	50,000.00
		Balance at 31 Mar 2013	<hr/> <b>£109,744.69</b> <hr/>

**Morecambe Town Council**

**BALANCE SHEET**

As at 31st March, 2013

*(Last) Year Ended*

*(Current) Year Ended*

31 Mar 2012

31 Mar 2013

£		£
	<b>LONG TERM ASSETS</b>	
9,727.80	Tangible Assets	21,026.73
0.00	Long Term Debtors	0.00
	<b>CURRENT ASSETS</b>	
0.00	Stocks and stores	0.00
0.00	Work in progress	0.00
0.00	Debtors (Net of provision for doubtful debts)	0.00
0.00	Payments in advance	0.00
4,404.89	VAT Recoverable	1,105.21
0.00	Temporary lendings (investments)	0.00
195,674.07	Cash in Bank	158,639.48
<b>209,806.76</b>	<b>TOTAL ASSETS</b>	<b>180,771.42</b>
	<b>CURRENT LIABILITIES</b>	
0.00	Creditors	0.00
0.00	Temporary borrowing	0.00
<b><u>209,806.76</u></b>	<b>NET ASSETS</b>	<b><u>180,771.42</u></b>
	<b>Represented by:</b>	
150,078.96	General Fund Balance	109,744.69
	<b>Reserves:</b>	
0.00	Capital	0.00
50,000.00	Office and Building Fund	50,000.00
9,727.80	Tangible Assets	21,026.73
<b><u>195,674.07</u></b>		<b><u>180,771.42</u></b>

The above statement represents fairly the financial position of the council as at 31 March, 2013

Signed

David Croxall  
Responsible Financial Officer

15th May, 2013

**MORECAMBE TOWN COUNCIL ASSET REGISTER AS AT 31/3/2013**

Item	Date purchased	Serial No.	Where Held/Stored/ Sited	Value (£)
		Serial Number (if appropriate)		
Computer and Accessories	2010 and 2012	Acer – 3JP78-10069-JP76H  Laptop – 7M370-JY6WB	Town Council Office	2000.85
Office Furniture and Equipment	2011		Town Council Office	681.52
	17/9/2012	1 x meeting table	Town Council Office	159.00
	27/7/2012 27/7/2012	8 x chairs Laminator		60.00 18.00
High Visibility Jackets	03/10/2011		Town Council Office	327.00
Handiloops for Litter Picking	09/01/2012		Town Council Office	141.83
7 x Noticeboards	15/06/2012		7 locations around the Parish	2,932.93
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	651.60
4 Penguin Litter Bins	26/09/2011		Happy Mount Park	1,285.00
2 x 5 a side Goalposts	15/05/2012		Langridge Estate Westgate	1,000.00
Springy Animal Play Equipment	15/05/2013		Langridge Estate Westgate	880.00
Play equipment	15/05/2012		Langridge Estate Westgate	6,000.00
<b>TOTAL</b>				<b>21,026.73</b>

## **Notes to the 2012/13 Accounting Statements**

Current requirements for Local Councils require Councils whose expenditure exceeds £200,000 per annum to produce a Balance Sheet and an Income and Expenditure Account.

These are therefore set out and were completed for the Internal Audit inspection. Members should remember that it is not the duty of the Internal Auditor to prepare these documents. This is the role of the Responsible Finance Officer. The Internal Auditor's role is to check procedures, processes, management of risk and compliance with Governance requirements.

### Notes re Balance Sheet:

- Local Councils are not required to depreciate Assets – these are shown at the original purchase price
- The VAT recoverable amount refers to the amount of VAT which remained to be reclaimed at the year end, as VAT is reclaimed quarterly only VAT until 31st December, 2012 had been reclaimed and credited to the accounts by 31<sup>st</sup> March.
- The Net Assets includes reference to the Town Council Office Fund established in 2011 which stood at £50,000 at 31<sup>st</sup> March, 2013, together with the General Fund Balance of £109,744.69 which was carried forward at the year end.

### Notes re Income and Expenditure Account

- For 2012/13 VAT refunds are not shown as the accounts are prepared net of VAT. In the 2011/12 accounts VAT was shown in the income column as the Council had reclaimed a substantial amount of VAT for years previous to 2011/12.
- Expenditure was greater than income received which was planned through the budget process and took account of under spend in the first two years of the Council's existence. The 2013/14 budget also shows expenditure greater than income, a position which cannot continue ad infinitum, which the Council addressed during its budget process for 2013/14.
- The Portas Town Team expenditure can be reclaimed back and the amount shown in the Expenditure column has now been received but after 1<sup>st</sup> April and will be shown as a credit in the 2013/14 accounts.
- The £109,744.69 balance remaining at 31<sup>st</sup> March 2013 will be used to finance the 2013/14 budget as set out below. It should be noted that the 2013/14 budget

contains items of proposed expenditure which have been carried forward from 2012/13 the items are still being worked through and still form part of agreed Policy as follows:

Flag Pole	-	£3,600
Rail Information Sign – Bare Station	-	£5,000
Sandylands Paddling pool Feasibility Study	-	£5,000

• **The Balance of £109,744.69 will be used as follows:**

Grants – c/f from 2012/13 grants not yet claimed	-	£6,000
Westgate Ward Budget – invoice not yet received for goal posts	-	£2,000
Agreed Surplus on Budget to fund 2014/15 budget as agreed by Council on 7 <sup>th</sup> February to take account of changes to Council Tax system which decreases the Council's precept by £50,000 even if Council Tax set at a nil increase	-	£47,100
To fund difference between projected expenditure and income in 2013/14 Budget (i.e. income from precept, interest and LCC one off grant)	-	£27,123
Total	-	£82,223

- **Therefore flowing the closure of accounts and final adjustments following the Internal Audit visit the actual balance remaining and available for further consideration as discussed by Council on 16<sup>th</sup> May is £109,744.69 minus £82,223 = £27,521.69**

David Croxall

Responsible Finance Officer

23<sup>rd</sup> May, 2013

# Local Councils in England

## Annual return for the year ended 31 March 2013

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Local councils in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their activities at the end of each financial year. In this annual return the term 'local council' includes a Parish Meeting, a Parish Council and a Town Council.

The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the local council.
- Section 3 is completed by the external auditor appointed by the Audit Commission.
- Section 4 is completed by the local council's internal audit provider.

**Each council must approve this annual return no later than 30 June 2013.**

### Completing your annual return:

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in green. Do **not** leave any green box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2013, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

Your external auditor will identify and ask for any additional documents needed for audit. Therefore, unless requested, do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the local council for publication or public display of sections 1, 2 and 3. You must publish or display the audited annual return by 30 September 2013.

It should not be necessary for you to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return is available in the Practitioners' Guide for local councils that can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.slcc.co.uk](http://www.slcc.co.uk)

# Section 1 – Accounting statements 2012/13 for

MORECAMBE TOWN COUNCIL

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

Accounting period		Notes and disclosures		
	31 March 2012	31 March 2013	Must equal all figures in nearest 21. Do not leave any boxes blank and report all 0 or Nil balances. All figures must agree to underlying financial records.	
1	Balances brought forward	216,103	200,079	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	220,700	Total amount of precept received or receivable in the year.
3	(+) Total other receipts	212	10,430	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4	(-) Staff costs	29,003	38,330	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 the council's borrowings (if any).
6	(-) All other payments	207,734	233,134	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	200,079	159,745	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	195,674	158,639	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 plus other long term investments and assets	9,728	21,027	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	(If Applicable) Trust funds (including charitable) disclosure note			(if applicable) The council acts as sole trustee for and is responsible for managing trust funds or assets. (Readers should note that the figures in the accounting statements above do not include any trust transactions.)

I certify that for the year ended 31 March 2013 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 21/05/2013

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

and recorded as minute reference:

Signed by Chair of the meeting approving these accounting statements.

Date



## Section 2 – Annual governance statement 2012/13

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 2013, that:

Accounting Statement	Yes/No	Comments
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.	✓	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

Signed by:

Chair

dated

Signed by:

Clerk

dated



**\*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 3 – External auditor certificate and opinion 2012/13

## Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2013 of

## 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 2013; 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 report

(Except for the matters reported below)\* on the basis of our review, in our opinion the information 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.  
(\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

External auditor signature

External auditor name

Date

**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 2012/13 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 2013.

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	Response (Please choose only 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.			✓

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

Name of person who carried out the internal audit **NEIL LEADBETTER**

Signature of person who carried out the internal audit **N. Leadbetter** Date **29/5/13**

**\*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).

## Guidance notes on completing the 2012/13 annual return

- 1 You must apply proper practices for preparing this annual return. Proper practices are found in the *Practitioners' Guide*\* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines if you want to talk through any problem you encounter.
- 2 Make sure that your annual return is complete (i.e. no empty green boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the council, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a council member or the Chair, to review your annual return for completeness before sending it to the external auditor.
- 4 Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must notify the external auditor of any change of Clerk, Responsible Finance Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers **all** your bank accounts. If your council holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the Accounting Statements (Section 1). **You must provide an explanation for any difference between Box 7 and Box 8.** More help on bank reconciliation is available in the *Practitioners' Guide*\*.
- 6 **Explain fully** significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that **you** understand the reasons for all variances. Include complete analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guide*\* to assist you.
- 7 If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2012) equals the balance brought forward in the current year (Box 1 of 2013).
- 9 **Do not complete section 3.** The external auditor will complete it at the conclusion of the audit.

Completion checklist – No part was made up or any of the requirements		31/3/13
All sections	All green boxes have been completed?	
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	
Section 1	Council approval confirmed by signature of Chair of meeting approving accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2013 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Sections 1 and 2	Trust funds – all disclosures made if council is a sole managing trustee? <b>NB: Do not send trust accounting statements unless requested.</b>	
Section 2	For any statement to which the response is 'no', an explanation is provided?	
Section 4	All green boxes completed by internal audit and explanations provided?	

**\*Note:** *Governance and Accountability for Local Councils in England – A Practitioners' Guide* is available from your local NALC and SLCC representatives or from [www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk)