

# Public Document Pack

## MOUNT EDGCUMBE JOINT COMMITTEE



### Joint Clerks

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23 June 2010

## MOUNT EDGCUMBE JOINT COMMITTEE

**DATE: FRIDAY 25 JUNE 2010**  
**TIME: 10.45 AM**  
**PLACE: MOUNT EDGCUMBE HOUSE, CREMYLL**

### Committee Members–

#### Plymouth City Councillors-

Councillors Delbridge, King, Martin Leaves, McDonald, Reynolds, Smith and Vincent.

#### Cornwall Councillors-

Councillors Austin, Flashman, German, Holley, Pearn MBE, Preston and Trubody.

#### Co-opted Members-

Sir Richard Carew Pole Bt, Commander G Crocker, Mr D L Richards, Mr T Savery and Mrs B Spring.

**Members of the Committee are invited to attend the above meeting to consider the items of business overleaf.**

**BARRY KEEL**  
**KEVIN LAVERY**  
**Joint Clerks**

## **MOUNT EDGCUMBE JOINT COMMITTEE**

### **PART I (PUBLIC COMMITTEE)**

#### **AGENDA**

- 6. REVENUE AND CAPITAL OUTTURN 2009-10 (Pages 1 - 16)**  
**INCORPORATING THE STATEMENT OF ACCOUNTS**

The Joint Committee will receive a report on the Revenue and Capital Outturn 2009-10 incorporating the Statement of Accounts.

### **PART II (PRIVATE COMMITTEE)**

#### **AGENDA**

#### **MEMBERS OF THE PUBLIC TO NOTE**

that under the law, the Committee is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

- 11. CREMYLL FERRY TENDER (E3) (Pages 17 - 20)**

The Joint Committee will receive a report on the Cremyll Ferry Tender.

**CITY OF PLYMOUTH  
MOUNT EDGCUMBE JOINT COMMITTEE**

**CMT Members:** Director for Community Services  
Director for Corporate Support

**Cornwall Council Officer:** Head of Environment and Heritage Service, Cornwall Council

**Subject:** Revenue and Capital Outturn 2009/10 incorporating Statement of Accounts 2009/10

**Committee:** Mount Edgumbe Joint Committee

**Date:** 25 June 2010

**Author:** Ian Berry, Park Manager

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**Ref:** ME

**Part:** I

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**Executive Summary:**

The Mount Edgumbe Joint Committee revenue and capital accounts for 2009/10 have now been finalised subject to final audit. This report presents the outturn for this Joint Committee and compares this with the latest forecast.

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**Corporate Plan 2010-2013:**

**Plymouth City Council:**

Corporate Improvement Priority 6: widening cultural and leisure opportunities  
Corporate Improvement Priority 14: value for money/effective long term budget/asset management.

**Cornwall Council:** (to be confirmed)

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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

The overall effect of the variations against the revenue budget listed in the report has identified a shortfall of funding requirement of £300,000 in 2009/10.

Ongoing additional costs have arisen as a result of the Job Evaluation exercise undertaken by Plymouth City Council which will require consideration as part of future year business planning. Further costs were incurred for additional staffing requirements for the new trading operations above the level of income projected during first part year of trading. The challenge for the business plan and 2010/11 Budget reported to 5<sup>th</sup> February 2010 Joint Committee is to deliver sustainable trading operations, aligned to the level of constituent authority support available and to build a minimum level of reserves.

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**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

None.

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**Recommendations and Reasons for Recommended action:**

It is recommended that the Joint Committee:

- a) Notes the report.
- b) Each constituent authority be approached to consider additional financial support of up to £150,000 (per authority) to address the 2009/10 revenue shortfall,
- c) Notes that the constituent authority will be considering conditions against this financial support and final details of this will be reported at next joint committee.
- d) The statement of accounts be approved.
- e) Annual governance statement be approved.
- f) Reviews the 2010/11 Business Plan and Medium Term Financial projection based on the 2009/10 performance, which is reported to the next joint committee.

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**Alternative Options Considered and reasons for recommended action:**

N/A.

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**Background Papers:** Mount Edgcombe Revenue Budget Financial update – 6<sup>th</sup> March 2009, 31<sup>st</sup> July 2009, 4<sup>th</sup> December 2009 and 5<sup>th</sup> February 2010.

**Sign Off**

Fin		Leg		HR		AM		IT	
Originating SMT Member									

**MOUNT EDGCUMBE JOINT COMMITTEE****Mount Edgcumbe Joint Committee – 25 June 2010****REVENUE AND CAPITAL BUDGET OUTTURN 2009/10****1. INTRODUCTION**

- 1.1. The Mount Edgcumbe revenue and capital accounts for 2009/10 have been finalised, subject to final audit and this report compares the outturn position with the Joint Committees final estimate as noted in February.
- 1.2. Variations to 2009/10 Outturn are reported in Appendix A with an explanation of variances to the base budget reported in Appendix A (i) and variances to the last monitoring report presented on 5<sup>th</sup> February 2010 are shown in Appendix A (ii).

**2. 2009/10 REVENUE PROVISIONAL OUTTURN – JOINT COMMITTEE**

- 2.1. The Joint Committee's revenue provisional outturn position for 2009/10 is presented in Appendix A and can be summarised as follows:-

	£'000
General Expenditure	1,077
Less: Income	393
Contribution from constituent authorities	<u>384</u>
Deficit 2009/10	<u>300</u>

**3. 2009/10 REVENUE BUDGET**

- 3.1. As reported to previous Joint Committees the forecast budget for 2009/10 anticipated a budget shortfall of £230k, partly as a result of £120,000 additional Job Evaluation costs.
- 3.2. A direct net cost to operate new trading operations (Barrow shop, Stables and plant sales) which started trading in July, and Cremyll shop and Orangery more recently in March, summarised below:

	£'000
Total income	(99)
Cost of Sales	64
Agency staffing	<u>97</u>
Trading deficit	<u>62</u>

There was also £21k additional costs with a catering manager and tupe transfer of employee to Orangery.

- 3.3. Other costs totalling £59k are linked to the operation of the refurbished Barrow Park facilities such as increases to heating, insurance, additional fitting out, introducing electronic point of sale (epos) system and re-branding.
- 3.4. Use of agency staff has also increased to core House & Park activities to cover cash handling, cleaning and driving, this with additional costs covering sickness totalled £23k.

- 3.5. Repair and Maintenance increased by £14k of which £11k related to remedial works following a theft of lead.
- 3.6. Fit out costs of Barrow Park stables, plant sales and shop have exceeded approved funding by £49k , these additional costs have been wholly funded from reserves previously earmarked to fund the commercial manager which had also exceeded budget provision by £8k.
- 3.7. Additional funding for Sudden Oak Death clearance works brought in a further £76k and there was £6k grant funding by Devonport Regeneration Community Partnership toward an exhibition, grant funding for the Museum Development Officer ceased at a £20k loss of income.
- 3.8. Overall income from core activities such as admissions, rents and licences were inline with budgets, although there were a reduction against wedding income.

#### 4. **RESERVES**

- 4.1. Reserves and capital receipts currently stood at the start of the financial year at £125k with commitments of £68k to fund the capital project, £21k support for Commercial Consultant which left an uncommitted balance of £36k.
- 4.2. Actual costs to fit out the new trading areas exceeded the £125k allocation by £49k at a total cost of £174k, with reserves being used to fund this overspend. This reduced the reserves available to fund the commercial consultant from an approved figure of £21k to an actual contribution of £9k.
- 4.3. There are no reserves at year end which needs to be addressed during 2010/11 and beyond.
- 4.4. A further analysis of movements to reserves and capital receipts is shown in Appendix B.

#### 5. **2009/10 CAPITAL PROJECT**

- 5.1. Total spend and contributions to the Capital Outbuilding project has totalled £338k, and £49k above approved funding from Capital Receipts, Reserves and unsupported borrowing.

Year	Total spend	MEJC Approved Contribution	MEJC Additional Reserves	Unsupported borrowing (Fit out)	Unsupported borrowing (windows/heat)	FOME Contribution
	£	£	£	£	£	£
2007/08	38,127	28,127				10,000
2008/09	56,665	56,665				
2009/10	294,096	68,011	48,685	125,000	52,400	
<b>Total</b>	<b>337,888</b>	<b>152,803</b>	<b>48,685</b>	<b>125,000</b>	<b>52,400</b>	<b>10,000</b>

**6. ANNUAL RETURN FOR THE YEAR ENDED 31 MARCH 2010**

- 6.1. Approval is required to the above statement which is attached in appendix C for submission to external audit by auditors appointed by the Audit Commission.
- 6.2. Members' approval is required to Section 2 Annual Governance Statement and a 'YES' response to the eight statements made. The Internal Audit has identified sound operational review of risks takes place which has been documented within progress reports regularly reported to the Joint Committee.
- 6.3. The Audit Reports will be brought to the next Joint Committee for discussion once management action has been agreed.

**7. RECOMMENDATIONS**

7.1. It is recommended that:

- a) Notes the report.
- b) Each constituent authority be approached to consider additional financial support of up to £150,000 (per authority) to address the 2009/10 revenue shortfall,
- c) Notes that the constituent authority will be considering conditions against this financial support and final details of this will be reported at next joint committee.
- d) The statement of accounts be approved.
- e) Annual governance statement be approved.
- f) Reviews the 2010/11 Business Plan and Medium Term Financial projection based on the 2009/10 performance, which is reported to the next joint committee

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**MOUNT EDGCUMBE PROVISIONAL OUTTURN 2009/10**

APPENDIX A (i)

Base Budget 2009/10 £	DESCRIPTION	Provisional Outturn 2009/10 £	Variance £	Explanation of variances between Base budget 09/10 to Provisional Outturn
	<b><u>Employees</u></b>			
451,895	Staffing ~ Core	603,731	151,836	Job evaluation £78k, Appeal #1 £23k, Appeal #2 £19k, Orangery Tupe Transfer £4k, Catering Manager £17k, Sickness cover £4k, overtime £7k.
0	Staffing ~ Agency	116,754	116,754	Additional costs linked to commercial trading and increased demand to operate park through increased cleaning, cash handling and driving
5,985	Other Employee Costs	6,604	619	
457,880	<b>Sub Total</b>	727,089	269,209	
	<b><u>Premises &amp; Park</u></b>			
51,505	General Maintenance	65,489	13,984	Additional Maintenance costs identified in March 2010, £11k of which related to remedial works following theft of lead.
11,200	Energy Costs	26,843	15,643	Increased usage/price, duplicated provision one delivery £2.5k.
23,810	NNDR, Water, Env chgs	19,983	(3,827)	Higher business rate charges following revaluation not reflected in 09/10 outturn
5,630	Cleaning	5,880	250	
2,100	Insurances	9,106	7,006	Increased premium to reflect additional commercial properties
94,245	<b>Sub Total</b>	127,300	33,055	
	<b><u>Gardens</u></b>			
25,000	Grounds Maintenance Ad Hoc	28,612	3,612	Incorrectly includes purchase of carpet replacement costs in main house.
	<b><u>Transport</u></b>			
20,123	Vehicle costs	26,497	6,374	£2.5k higher repair costs, £4k various overspends purchasing ferry tickets, daihatsu van, vehicle hire and fuel purchase.
	<b><u>Supplies and services</u></b>			
27,017	Equipment/general operating costs	63,986	36,969	Additional costs associated with new trading areas £19k, £5k legal costs Cremyll Ferry & Governance, £7k computer/EPOS system, £4k additional spend funded from donations, £1k hospitality and £1k misc other
6,000	Collection Management	4,935	(1,065)	Curtailling spend
8,672	Loan repayment	7,506	(1,166)	Repayment for Lift replacement other repayment commitments (fitting out/barrow park works) first repayment 10/11.
0	External Audit fees	4,450	4,450	Audit Commision fees for audit of 06/07 and 07/08 accounts
20,606	Commercial Manager	27,899	7,293	Additional costs commercial consultant
0	Consultants ~ other	11,246	11,246	Branding £10k £1k EPOS training
6,300	Contribution Transport initiative	0	(6,300)	Initiative delayed with Cremyll Ferry tender
1,000	Exhibitions and grant funded projects	7,830	6,830	Additional spend grant funded
3,428	Insurances	6,487	3,059	2010/11 Premium paid in advance
17,000	Advertising and Interpretation	20,092	3,092	Increased publicity with new trading.
12,585	Special Events expenses	12,724	139	
<b>699,856</b>	<b>Gross Expenditure</b>	<b>1,076,652</b>	<b>376,796</b>	
	<b><u>INCOME</u></b>			
(24,120)	Grants and contributions	(84,935)	(60,815)	09/10 removal of MDO recharge £22k adv, 1st of 2 yr SOD funding £76k fav, £6k fav exhibition one off funding
(6,400)	Main Shop sales	(7,689)	(1,289)	Budget based on £45k income target generating 33% surplus, actual income was £99361 generating a 36% surplus (excluding staff costs), including staff costs equated to nearly a 98% trading loss.
(10,000)	Cremyll Shop sales	(3,690)	(3,690)	
(10,000)	Catering income	(12,301)	(2,301)	
0	Plant sales	(11,966)	(11,966)	
(43,350)	Admissions	(43,737)	(387)	
(33,400)	Wedding & function Income	(23,967)	9,433	
(17,900)	Special Events	(21,774)	(3,874)	Lower bookings 09/10
(41,880)	Rent of Land/use of facilities	(51,171)	(9,291)	Increased income
(56,100)	Trenninow Chalets	(54,430)	1,670	Higher income from new facilities
(12,300)	Orangery Licence	(13,028)	(728)	
(47,300)	Car parking income	(48,540)	(1,240)	Lower income in last quarter of year possibly due to inclement weather
(2,500)	Income From Donations	(6,726)	(4,226)	
(20,606)	Joint Committee Reserves	(8,809)	11,797	Reserves used to fund capital fit out overspend
(384,000)	Agreed contribution from Constituent Authorities	(384,000)	0	
<b>(699,856)</b>	<b>Total Income</b>	<b>(776,764)</b>	<b>(76,908)</b>	
<b>0</b>	<b>DEFICIT/(SURPLUS)</b>	<b>299,888</b>	<b>299,888</b>	
<b><u>FUNDING OPTIONS:</u></b>				
Additional Contribution Cornwall Council		(149,944)	0	
Additional Contribution Plymouth City Council		(149,944)	0	
Mount Edgcumbe Joint Committee Reserves		0	(15,000)	
		<b>(299,888)</b>	<b>(15,000)</b>	
<b><u>RESERVES</u></b>				
(125,026)	Opening Balance + interest in year	(125,505)	(479)	
68,011	Capital Outbuilding Project	116,696	48,685	
20,606	Commercial Consultant	8,809	(11,797)	
(36,409)	Closing Balance	0	0	
		0	36,409	

DESCRIPTION	Provisional Outturn 2009/10 £	Latest Forecast 2009/10 £	Variance £	Latest Forecast reported to MEJC 4th Feb 10 to outturn variation
<b>Employees</b>				
Staffing ~ Core	603,731	593,000	10,731	JE appeal # 2 £3k, Sickness £4k, Higher staffing costs not forecast previously £4k. Additional staffing costs commercial trading
Staffing ~ Agency	116,754	103,803	12,951	
Other Employee Costs	6,604	5,985	619	
<b>Sub Total</b>	<b>727,089</b>	<b>702,788</b>	<b>24,301</b>	
<b>Premises &amp; Park</b>				
General Maintenance	65,489	51,505	13,984	Additional Maintenance costs identified in March 2010, £11k of which related to remedial works following theft of lead. Increased usage/price, duplicated provision one delivery £2.5k.
Energy Costs	26,843	21,200	5,643	
NNDR, Water, Env chgs	19,983	24,810	(4,827)	
Cleaning	5,880	6,630	(750)	
Insurances	9,106	9,100	6	
<b>Sub Total</b>	<b>127,300</b>	<b>113,245</b>	<b>14,055</b>	
<b>Gardens</b>				
Grounds Maintenance Ad Hoc	28,612	30,000	(1,388)	Curtailed spend
<b>Transport</b>				
Vehicle costs	26,497	23,973	2,524	Various overspends purchasing ferry tickets, daihatsu van, vehicle hire and fuel purchase.
<b>Supplies and services</b>				
Equipment/general operating costs	63,986	54,647	9,339	EPOS system/computer costs £7k, £2k Legal costs. Curtailed spend
Collection Management	4,935	5,000	(65)	
Loan repayment	7,506	8,672	(1,166)	
External Audit fees	4,450	0	4,450	Audit Commission fees for audit of 06/07 and 07/08 accounts
Commercial Manager	27,899	28,970	(1,071)	
Consultants ~ other	11,246	10,256	990	
Contribution Transport initiative	0	0	0	
Exhibitions and grant funded projects	7,830	7,000	830	
Insurances	6,487	3,289	3,198	2010/11 Premium paid in advance. Lower spend than anticipated
Advertising and Interpretation	20,092	25,000	(4,908)	
Special Events expenses	12,724	12,585	139	
<b>Gross Expenditure</b>	<b>1,076,652</b>	<b>1,025,425</b>	<b>51,227</b>	
<b>INCOME</b>				
Grants and contributions	(84,935)	(81,525)	(3,410)	SOD grant previous forecast £73k actual £76k. Previous forecast based on £25k income target + 50% cost of sales actual £22.6k + 66% cost of sales
Main Shop sales	(7,689)	(12,500)	4,811	
Cremyll Shop sales	(3,690)	0	(3,690)	
Catering income	(12,301)	(17,500)	5,199	Previous forecast based on £52.5k income target + 33% cost of sales actual £58k + 78% cost of sales
Plant sales	(11,966)	(7,500)	(4,466)	Previous forecast based on £15k income target + 50% cost of sales actual £13k + 11% cost of sales
Admissions	(43,737)	(43,350)	(387)	
Wedding & function Income	(23,967)	(27,445)	3,478	
Special Events	(21,774)	(17,900)	(3,874)	
Rent of Land/use of facilities	(51,171)	(49,591)	(1,580)	
Trenninow Chalets	(54,430)	(55,680)	1,250	
Orangery Licence	(13,028)	(13,028)	(0)	
Car parking income	(48,540)	(57,300)	8,760	Lower income in last quarter of year possibly due to inclement weather
Income From Donations	(6,726)	(7,500)	774	
Joint Committee Reserves	(8,809)	(20,606)	11,797	Reserves used to fund capital fit out overspend
Agreed contribution from Constituent Authorities	(384,000)	(384,000)	0	
<b>Total Income</b>	<b>(776,764)</b>	<b>(795,425)</b>	<b>18,661</b>	
<b>DEFICIT/(SURPLUS)</b>	<b>299,888</b>	<b>230,000</b>	<b>69,888</b>	

FUNDING OPTIONS:			
	(149,944)	(100,000)	0
	(149,944)	(100,000)	0
	0	(30,000)	(15,000)
	<b>(299,888)</b>	<b>(230,000)</b>	<b>(15,000)</b>

RESERVES			
Opening Balance + interest in year	(125,505)		(479)
Capital Outbuilding Project	116,696		48,685
Commercial Consultant	8,809		(11,797)
Closing Balance	0		0
	0		<b>36,409</b>

**MOUNT EDGCUMBE 2009/10**  
**RESERVES AND PROVISIONS**

**RESERVES**

	Balance 31-Mar 2009 £	Received in year £	Interest £	Spend in year £	Balance 31-Mar 2010 £
General	46,764	0	0	46,764	0
<b>Total Reserves</b>	<b>46,764</b>	<b>0</b>	<b>0</b>	<b>46,764</b>	<b>0</b>

**RINGFENCED CAPITAL ACCOUNT**

	Balance 31-Mar 2009 £	Received in year £	Interest £	Spend/ Transfer in year £	Balance 31-Mar 2010 £
Penlee Point	13,075	0	59	13,134	0
Rame View Café	23,564	0	233	23,797	0
Trennino Hut sale	41,624	0	187	41,811	0
<b>Total receipts</b>	<b>78,263</b>	<b>0</b>	<b>479</b>	<b>78,742</b>	<b>0</b>

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# Small bodies in England

## Annual return for the year ended

### 31 March 2010

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**Small relevant bodies in England with an annual turnover of £1 million or less must complete an annual return summarising their annual activities at the end of each financial year.**

The annual return on the following pages is made up of four sections:

- **Sections 1 and 2** are to be completed by the person nominated by the body.
- **Section 3** will be completed by the external auditor.
- **Section 4** is to be completed by the body's internal audit provider.

**The body must ensure this annual return is approved no later than 30 June 2010.**

#### **Completing your annual return**

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

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

Please send the annual return, together with your bank reconciliation as at 31 March 2010, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your appointed external auditor by the due date.

If required, your auditor will identify and ask for any documents needed for audit. Unless requested, please do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the body for publication or public display of sections 1,2 and 3.

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' Guides for either local councils or internal drainage boards. These publications may be downloaded from the National Association of Local Councils (NALC) or Society of Local Council Clerks (SLCC) websites ([www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk)) or from the members area of the Association of Drainage Authorities website ([www.ada.org.uk](http://www.ada.org.uk)).

## Section 1 – Accounting statements for:

## MOUNT EDGCUMBE JOINT COMMITTEE

	Year ending		Notes and guidance
	31 March 2009 £	31 March 2010 £	
1 Balances brought forward	24,7787	125,026	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from taxation and/or levy	485,329	852,114	Total amount of tax and/or levy received or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	259823	393,240	Total receipts or income as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	508,028	737,302	Total expenditure or payments made to and on behalf of all body employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	7506	7506	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) Total other payments	352,379	625,572	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	125,026	0	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	110,137	(119,138)	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	2,584,014	2,579,914	The recorded book value at 31 March of all fixed assets owned by the body and any other long term assets e.g. loans to third parties and any long-term investments.
10 Total borrowings	46,371	217,976	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that the accounting statements contained in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2010.

Signed by Responsible Financial Officer:

Date

I confirm that these accounting statements were approved by the body and recorded as minute reference:

Date

Signed by Chair of meeting approving these accounting statements:

Date

## Section 2 – Annual governance statement

We acknowledge as the members of **MOUNT ED&CUMBE 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 body's accounting statements for the year ended 31 March 2009, that:

	Agreed – Yes or No*	'Yes' means that the body:
1 we have approved the accounting statements which have been 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 have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption <b>and</b> reviewed its effectiveness.		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 which could have a significant financial effect on the ability of the body 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 have 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 body's accounts.
5 we have carried out an assessment of the risks facing the body <b>and</b> taken 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 have maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems <b>and</b> carried out a review of its effectiveness.		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 body and reviewed the impact of this work.
7 we have taken 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 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 body 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.

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

dated

Signed on behalf of

Signed by: Chair  Date

Signed by: Clerk  Date

**\*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 2010 of

ENTER NAME OF REPORTING BODY HERE

#### Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return which:

- summarises the accounting records for the year ended 31 March 2010; 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. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

External auditor’s signature

External auditor’s 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*.





## Guidance notes on completing the 2010 annual return

- 1 Please make sure that your annual return is complete (i.e. no empty red 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 approved by the body, properly initialled and an explanation for them is provided to the auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 2 Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it off to the auditor.
- 3 Please do not send the auditor any information not specifically asked for. Doing so is not helpful. However, you must advise the auditor of any change in Clerk or Chair.
- 4 Make sure that the copy of the bank reconciliation which you send to your auditor with the annual return covers **all** your bank accounts. If your body holds any short-term investments, please note their value on the bank reconciliation. The auditor should be able to agree your bank reconciliation to Box 8 on the Statement of Accounts. **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\**.
- 5 Please **explain fully** significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The auditor wants to know that **you** understand the reasons for all variances. Please include a complete analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guide\** to assist you.
- 6 If the 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.
- 7 Please make sure that your accounting statements add up! Also please ensure that the balance carried forward from the previous year (Box 7 of 2009) equals the balance brought forward in the current year (Box 1 of 2010).
- 8 **Do not complete section 3.** The external auditor will complete it at the conclusion of their audit.
- 9 Use the *Practitioners' Guides\** for guidance. These publications are regularly updated and contain everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines open should you wish to talk through any problem you may encounter.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red 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	Approval by the body confirmed by signature of Chair of meeting approving the accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2010 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 2	For any statement to which the response is 'no', an explanation is provided?	
Section 4	All red boxes completed by internal audit and explanations provided?	

**\*Note: Governance and Accountability for Local Councils in England – A Practitioners' Guide, is available from NALC and SLCC representatives or Governance and Accountability for Internal Drainage Boards in England – A Practitioners' Guide, is available from the ADA at The Association of Drainage Authorities, 12 Cranes Drive, Surbiton, Surrey, KT5 8AL.**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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