

REPORT TO POLICY AND FINANCE COMMITTEE – 19 MAY 2010
TOWN COUNCIL ACCOUNTS 2009/10 **Agenda Item 7**

1. Background

- 1.1 Budgetary control reports have been submitted regularly to the Committee during 2009/10. These reports informed Members of the main variations between the actual expenditure and the approved budget.
- 1.2 This report provides Members with the Council's draft Income and Expenditure account for the year ended 31 March 2010, and the Balance Sheet as at the same date. In addition, it provides Members with the statutory Annual Return for the year ended 31 March 2010, which includes a summarised statement of accounts and a statement of assurance.
- 1.3 The Audit Commission will audit the draft final accounts later in the year. A further report will be submitted to this Committee once the Audit Commission has completed the audit.

2.0 Actual Income and Expenditure 2009/10

- 2.1 Page 1, paragraph 2, of Appendix 1 shows the original budgeted summary Income and Expenditure compared with the actual for each Committee. Pages 3 and 4 show the Council's statutory income and expenditure accounts for 2009/10 and 2008/09. Page 5 shows the balance sheet positions as at 31 March 2010 and 2009.
- 2.2 The actual income and expenditure (pages 3 and 4 of Appendix 1) was £468,628 and £495,247 respectively, resulting in a net decrease in earmarked reserves and provisions of £26,619 for the year, made up from a net transfer from earmarked provisions and reserves of £9,587, and a transfer from the General Reserve of £17,032.
- 2.3 The Council's actual net Committee expenditure for 2009/10 was £1,652 more than the net original budget. As a consequence, a transfer of £17,032 from the General Reserve was made, instead of a budgeted transfer of £15,280. This transfer has resulted in a balance of the General Reserve at 31 March 2010 of £167,568.
- 2.4 Two capital expenditure schemes were not undertaken during the year, namely the Danny Cracknell Pocket Park £51,000, and the Carver's playground slide £10,000. Approval to carry these un-spent budgets into 2010/11 is requested.

3. Transfer to Provisions

- 3.1 Appendix 2 shows the level of Reserves and Provisions as at 1 April 2009 and 31 March 2010.
- 3.2 The Council has already approved the transfer of the following three provisions to the General Reserve as part of the precept setting for the 2010/11 financial year:

Name of Provision	Amount
	£
Christmas lights	5,000
Grounds at Carvers	2,500
Dr Little's Garden	<u>1,980</u>
Total	<u>9,480</u>

- 3.3 The following transfers, which require approval by this Committee, have been made during the year to provide funding for projects that were not started or completed during 2009/10.

Name of Provision	Amount
	£
Signage	500
Maintenance in the closed churchyard	3,000
Southampton Road environmental improvements	5,000
Poulner Lakes	500
Greenways external decorations	1,000
Jubilee lamp	2,000
Under 18's entertainment	<u>1,000</u>
Total	<u>13,000</u>

3.4 Appendix 2 also indicates that all the provisions listed are still required except for the Health & Safety Audit, £4,250, and the DD Act 1995, £818. It is recommended that these two provisions are transferred to the General Reserve and taken into consideration when the precept for 2011/12 is considered in December 2010.

4. **Annual Return For The Year Ended 31 March 2010**

4.1 The Annual Return, an extract of which is attached as Appendix 3, must be approved by the Council by 30 June 2010 and sent to the Audit Commission by 12 July 2010. The figures in Section 1 are a summary of the Council's income and expenditure, and are taken from pages 3 to 5 of Appendix 1 to this report. The Statement of Assurance (Section 2) also needs to be approved by the Council.

4.2 Members are requested to agree sections 1 and 2 of the return and recommend that they are approved by the Council.

5. **Financial Implications**

5.1 The new in-year transfers to provisions (£13,000) will enable planned expenditure for 2009/10 to be carried out during 2010/11.

5.2 The General Reserve balance of nearly £168,000 as at 31 March 2010 is a prudent financial level. The approved budget for 2010/11 does not provide for any transfer to or from the General Reserve. This will leave a forecast balance of about £168,000 as at 31 March 2011, which is reasonably close to the financially prudent level of £150,000. Members should review this level when considering the budget for 2011/12.

6. **Recommendations**

6.1 It is recommended that:

- i) the actual income and expenditure accounts for 2009/10 and balance sheet as at 31 March 2010 as shown in Appendix 1 be approved;
- ii) the new in-year transfers to provisions of £13,000 be approved;
- iii) the balances at 31 March 2010 on the Health & Safety Audit provision, £4,250, and the DD Act provision, £818, be transferred to the General Reserve;
- iv) the under spent budgets for the Danny Cracknell Pocket Park £51,000, and the Carver's playground slide, £10,000, be carried forward to 2010/11;
- v) the transfer from the General Reserve of £17,032 for 2009/10 be approved;
- vi) the Annual Return for 2009/10, as shown in Appendix 3, be approved.

For further information please contact:

Martin Townsend or Terry Simpson
Finance Manager Town Clerk

e-mail: martin.townsend@ringwood.gov.uk
terry.simpson@ringwood.gov.uk

RINGWOOD TOWN COUNCIL



STATEMENT

of

ACCOUNTS

for the Year ended

31 March 2010

EXPLANATORY FOREWORD**1 Introduction**

The accounts comprise the following statements:

(i) Income and Expenditure Account

This account covers income and expenditure on all services. It shows how the net cost of all the Council's revenue activities has been financed from the precept.

(ii) Balance Sheet

This sets out the financial position of the Council as at 31 March 2010. It shows the Council's balances and reserves, and current assets employed.

2 Financial Performance during the Year

The 2009/2010 original net budget for the Council was £392,310. The approved budget was marginally overspent by £1,652.

This net over spending on services is reflected in the transfer made from the General Reserve as at 31 March 2010.

	Budget	Actual
	£	£
Income		
Policy & Finance	-32,080	-20,238
Recreation, Leisure & Open Spaces	-74,710	-100,386
Expenditure		
Policy & Finance	201,030	191,429
Recreation, Leisure & Open Spaces	275,260	304,635
Planning, Town & Environment	22,810	18,522
Net Committee Expenditure	<u>392,310</u>	<u>393,962</u>
Less transfer from General Reserve	-15,380	-17,032
Precept on New Forest District Council	<u>376,930</u>	<u>376,930</u>

3 Further Information

Further information on the accounts is available from the Town Council Office at Greenways 71, Christchurch Road, Ringwood, Hampshire, BH24 1DH. Local Government Electors have a statutory right to inspect the accounts before the audit is completed.
Telephone: 01425 473883

RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

1 The Council is required to:

- (i) make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs.
In this Council, the Responsible Financial Officer (RFO) is the Finance Manager.
- (ii) manage its affairs to secure economic, efficient, and effective use of resources, and to safeguard its assets;
- (iii) approve the statement of accounts.

The Responsible Financial Officer's Responsibilities

2 The RFO is responsible for the preparation of the Council's statement of accounts in accordance with the 'Code of Practice on Local Authority Accounting in Great Britain' (the code), so far as it applies to this Council, to present fairly the financial position of the Council as at 31 March 2010 and its income and expenditure for the year then ended.

In preparing the statement of accounts, the RFO has:

- (i) selected suitable accounting policies and then applied them consistently;
- (ii) made judgements and estimates that were reasonable and prudent;
- (iii) complied with the code.

3 The RFO has also:

- (i) kept proper accounting records which were up to date;
- (ii) taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Responsible Financial Officer's Certificate

I certify that the statement of accounts, as set out in the following pages, presents fairly the financial position of Ringwood Town Council at 31 March 2010, and its income and expenditure for that year ended.

M G Townsend - Finance Manager and R.F.O.

Date

RINGWOOD TOWN COUNCIL

**INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

<u>YEAR ENDED</u> <u>31/03/2009</u> £		<u>YEAR ENDED</u> <u>31/03/2010</u> £
350,080	INCOME	
	Precept	376,930
	Other Income	
17,341	Interest	2,946
0	Developers' Contributions	2,000
6,416	Donations & Grants	6,500
2,433	Allotments	2,659
17,382	Cemetery	16,718
13,506	Recreation Ground	12,102
760	Open Spaces	1,010
20,494	Property Rents	17,279
5,621	Ringwood Schools	7,093
14,507	Poulner School	14,276
22,553	Ringwood Festival	6,024
1,750	Roundabout Sponsorship	2,621
8,750	Capital Receipt	261
203	Miscellaneous	209
131,716	Total Other Income	91,698
481,796	TOTAL INCOME	468,628

RINGWOOD TOWN COUNCIL

Appendix 1

**INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

YEAR ENDED 31/03/2009	EXPENDITURE	YEAR ENDED 31/03/2010
£ 245,459	Staff costs	£ 253,321
	Other Expenditure	
49,043	Administration	54,642
14,071	Members & Civic Expenses	7,774
8,070	Insurance	10,729
2,550	Grants - Not Section 137	3,200
3,991	Grants - Section 137	4,076
2,408	Allotment Maintenance	2,098
15,681	Building Maintenance	26,990
1,929	Cemetery Maintenance	3,761
14,048	Machinery/Equipment	13,227
291	Seats/ Bus Shelters	134
4,866	Recreation Ground	3,698
15,760	Open Spaces Maintenance	11,121
659	Planters For Floral Displays	1,467
822	Skate Park	564
8,526	CCTV	8,383
22,506	Ringwood Festival	8,279
3,428	Roundabout Flower Beds	3,206
6,989	Town Plan	0
6,520	Professional Fees	5,444
3,652	Christmas Lights	3,268
6,000	Police Community Support Officer	6,500
1,228	Street Lights	623
195	Signage	0
3,956	Drop in Centre	2,884
1,839	Children's Entertainment	1,925
4,014	Bad Debts Written Off	0
220	Miscellaneous	220
16,846	Capital Schemes	57,713
220,108	Total Other Expenditure	241,926
465,567	TOTAL EXPENDITURE	495,247
-16,229	SURPLUS(-)/DEFICIT FOR YEAR	26,619
324,493	Balance at 1 April	340,722
481,796	Add total Income	468,628
806,289		809,350
465,567	Deduct Expenditure	495,247
340,722	Balance as at 31 March	314,103
16,229	Increase/Decrease(-) in Reserves/Provisions	-26,619
TOWN MAYOR.....		
DATED.....		
RESPONSIBLE FINANCE OFFICER.....		
DATED.....		

BALANCE SHEET AS AT 31 MARCH 2010

YEAR ENDED 31/03/2009			YEAR ENDED 31/03/2010	
£	£		£	£
		<u>CURRENT ASSETS</u>		
3,344		Prepayments	1,668	
10,241		Trade Debtors	9,353	
3,669		VAT Reimbursable	2,228	
300,000		Short Term Investments	250,000	
47,626		Cash in Hand and at Bank	106,592	
	364,880	Total Assets		369,841
		<u>CURRENT LIABILITIES</u>		
-4,392		Receipts In Advance	-9,288	
-19,101		Trade Creditors	-45,550	
-665		Deposits	-900	
	-24,158	Total Liabilities		-55,738
		TOTAL NET ASSETS		314,103
	340,722	REPRESENTED BY:		
	184,600	Balance - General Fund		167,568
	156,122	Earmarked Reserves & Provisions		146,535
	340,722	TOTAL EQUITY		314,103

I certify that the above balance sheet, and the Income and Expenditure Account for the year ending 31 March 2010, presents fairly the financial position of this Council.

Signed Responsible Finance Officer

Date

Signed Town Mayor

Date

PROVISIONS AND RESERVES

TITLE	Balance 01/04/2009 £	Balance 31/03/2010 £	Movement in Year £	Comments
EAR-MARKED				
--Election	0.00	2,500.00	2,500.00	Required to finance next elections in 2011/12
--H&S Audit	4,250.00	4,250.00	0.00	No longer required
--Machine Replace	7,519.78	2,953.28	-4,566.50	Ongoing finance of machinery & equipment
--Play Equipment	39,430.00	45,430.00	6,000.00	Required to finance new equipment at Ash Grove
--Memorials	1,500.00	1,500.00	0.00	Works likely to be carried out 2009/10
--Christmas Lights	5,717.00	5,717.00	0.00	Transfer £5,000 to Gen Fund 2010/11
--Festival	3,000.00	3,000.00	0.00	Required to underwrite Future Festivals
--Carvers Pavilion	15,881.83	0.00	-15,881.83	Used to finance expenditure 2009/10
--The Bickerley	1,000.00	0.00	-1,000.00	Not required. Transferred to Capital Fund
--DD Act 1995	818.00	818.00	0.00	No longer required
--Grants	139.00	0.00	-139.00	Used to finance expenditure 2009/10
--Town Plan	8,654.00	0.00	-8,654.00	Not required. Transferred to Capital Fund
--Capital Fund	18,500.00	28,154.00	9,654.00	Required to finance items identified in Town Plan.
--Maint in closed chrchyrd	0.00	3,000.00	3,000.00	Required to finance works planned 2010/11
--Dr Littles Garden	1,980.00	1,980.00	0.00	Transfer to Gen Fund 2010/11
--Stile Castleman Trail	2,000.00	2,000.00	0.00	Required to finance works planned 2010/11
--Poulner Lakes	0.00	500.00	500.00	Required for 2010/11
--Soton Rd Envir Enhance	0.00	5,000.00	5,000.00	Required for 2010/11
--Greenways Extern Decs	1,000.00	2,000.00	1,000.00	Work completed April 2010
--Jubilee Lamp	750.00	2,750.00	2,000.00	To finance scheme planned for 2010/11
--Grounds Carvers	2,500.00	2,500.00	0.00	Transfer to Gen Fund 2010/11
--Under 18 Entertainment	986.00	1,986.00	1,000.00	Required 2010/11
--Signage	4,805.00	5,305.00	500.00	Required 2010/11
Sub Totals	120,430.61	121,343.28	912.67	
--Dev Contribs	25,791.76	19,491.76	-6,300.00	Finances on-going open spaces maintenance
--Cem Maint	3,400.00	3,200.00	-200.00	£200 per year transferred to Cemetery A/c
--Capital Reserve	6,500.00	0.00	-6,500.00	Used to finance New Holland tractor 09/10
--Grants Unapplied	0.00	2,500.00	2,500.00	Required 2010/11
Total Earmarked Provisions & Reserve	156,122.37	146,535.04	-9,587.33	
--Gen Reserve	184,600.02	167,567.84	-17,032.18	
TOTAL PROVS & RES	340,722.39	314,102.88	-26,619.51	

Section 1 – Accounting statements for

ENTER NAME OF LOCAL COUNCIL HERE

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 2009 £	31 March 2010 £	
1 Balances brought forward	324,493	340,723	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	350,080	376,930	Total amount of precept receivable or received in the year.
3 (+) Total other receipts	127,726	91,560	Total receipts or income as recorded in the cashbook less the precept received. Includes support, discretionary and revenue grants.
4 (-) Staff costs	245,459	253,321	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 borrowings (if any).
6 (-) Total other costs	216,117	241,789	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	340,723	314,103	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	347,626	356,592	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	2,548,670	2,603,350	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	0	0	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	YES/NO	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 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, for the year ended 31 March 2010.

Signed by Responsible Financial Officer

IREO

Date 13/05/2010

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

MINUTE REFERENCE

Date DD/MM/YYYY

Signed by Chair of the meeting at which these accounting statements were approved.

SIGNATURE REQUIRED

Date DD/MM/YYYY

Section 2 – Annual governance statement

We acknowledge as the members of 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 2010, that:

	Agreed – Yes or No*	'Yes' means that the council:
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.	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 which 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 and carried out a review of its effectiveness.	YES	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 council and reviewed the impact of this work.
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/NA	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 local council 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.