



# **ACCOUNTS**

**2016/17**

# Annual internal audit report 2016/17 to

Enter name of smaller authority here:

LOUGHTON TOWN COUNCIL

This smaller authority'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 2017.

Internal audit has been carried out in accordance with this smaller authority'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 this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates 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 this smaller authority's 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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

**J P Watson**  
**For Auditing Solutions Ltd**

Name of person who carried out the internal audit

Signature of person who carried out the internal audit  Date 02/05/2017

\*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).

## Section 3 – External auditor report and certificate

In respect of:

Enter name of  
smaller authority here:

LOUGHTON TOWN COUNCIL

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

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

### 2. 2016/17 External auditor report

(Except for the matters reported below)\* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative 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 smaller authority:

(continue on a separate sheet if required)

### 3. 2016/17 External auditor certificate

We certify/do not certify\* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

\* We do not certify completion because:

External auditor signature

External auditor name

Date

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))



## Section 2 – Accounting statements 2016/17 for

Enter name of smaller authority here:

LOUGHTON TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	924,114	847,396	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. (+) Precept or Rates and Levies	RESTATED 586,599	594,600	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	RESTATED 200,102	222,401	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	354,137	373,353	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	100,497	100,497	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	408,785	478,672	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	847,396	711,875	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8. Total value of cash and short term investments	1,005,124	843,492	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	531,649	531,649	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	828,101	769,776	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

*[Signature]*

Date

25/04/17

I confirm that these accounting statements were approved by this smaller authority on:

03/05/2017

and recorded as minute reference:

78.3

Signed by Chair at meeting where approval is given:

*[Signature]*



# Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of smaller authority here:

LOUGHTON 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 2017, that:

	Agreed		'Yes' means that this smaller authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Y		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Y		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 proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.	Y		has only done what it has the legal power to do and has complied with proper practices in doing 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.	Y		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Y		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 accounting records and control systems.	Y		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 this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	Y		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 this smaller authority and, where appropriate have included them in the accounting statements.	Y		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities 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 this smaller authority on:

03/05/2017

and recorded as minute reference:

77

Signed by Chair at meeting where approval is given:

[Signature]

Clerk:

[Signature]

\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

## Supporting Notes to the Accounts 2016/17

### 1 Basis of accounts

This statement of accounts have been prepared in accordance with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, i.e. on an income and expenditure basis with a statement of balances.

### 2 Assets, property etc

During 2016/17, the Town Council continued lease negotiations for the transfer of the land used by the Loughton Cricket Club at the junction of the High Road with Traps Hill from the trustees. Owing to various legal issues, the transfer and the subsequent lease to the Cricket Club has not yet been completed.

The proposed office move to accommodation on the first floor of Loughton Library has been delayed by legal issues. Completion is now anticipated in April 2017. It is the Council's intention to rent out the current offices at no 1 Buckingham Court initially on a short term lease.

The total of fixed assets and long terms assets remained static at £531,649.

The asset register was reviewed by the Resources and General Services Committee at its meeting on 12 April 2017.

See separate schedule of assets held, including leases, licences, management agreements etc. for more information.

### 3 Borrowings

At the end of the financial year 2016/17 the council had the following loans outstanding. All loans were from the Public Works Loans Board.

Purpose	Opening balance 1st April 2016	Closing balance 31st March 2017	End date of loan
Buckingham Court	219,857.25	202,428.50	19.01.26
Community Centre (1)	300,917.36	280,226.07	28.03.27
Community Centre (2)	307,326.21	287,121.29	28.06.27
<b>Total</b>	<b>828,100.82</b>	<b>769,775.86</b>	

### 4 Earmarked Reserves

See attached schedule of earmarked reserves.

The earmarked reserves represent the amount of money within the Council's balances that has been set aside for specific purposes.

The Council had no useable capital reserves at 31 March 2017. Capital reserves represent the amount of money available within the Council's balances which are restricted and can only be used to finance capital expenditure.

### 5 Section 137

The limit for the Council's spending under S137 of the Local Government Act 1972 (as amended) for the year was £184,409.26 (£7.42 x 24,853). Payments totalling £2,410.88 were made under S137 during the year.

6 **Analysis and apportionment of income and expenditure**  
Income and expenditure are analysed in accordance with the Council's committee structure. The costs of management and administration have been apportioned to all services on an appropriate basis (recharges).

7 **Advertising and Publicity**  
The following costs for advertising and publicity were incurred during the year:

	£
Recruitment advertising	0
Other advertising	30
Publicity & marketing	<u>385</u>
Total	<b>415</b>

8 **Pensions**  
During 2016/17 the Council contributed 16.7% of employees' total pensionable pay to the pension fund.

9 **Members Allowances**  
The total of members' allowances including expenses paid to serving councillors during the year was £2,152.63. This includes amounts paid to councillors who were not re-elected in May 2016.

10 **Agency Work**  
The Council did not undertake any agency work on behalf of other authorities during the year.

11 **Creditors**  
There were no significant creditors at the end of 2016/17.

12 **Bad Debts**  
No bad debts were written off during the year.

13 **Contingent Liabilities**  
The accounts do not include provision for any contingencies.

<b>Schedule of Earmarked Reserves</b>		<b>2016/17</b>	
	<b>1.4.16</b>	<b>Net transfers to/from reserves</b>	<b>31.3.17</b>
<b>Recreation Committee</b>			
Murray Hall	47,500	7,000	40,500
Kingsley Hall	30,000	5,000	25,000
Roding Valley Recreation Ground	135,250	13,050	122,200
Skateboarding	32,000	2,000	30,000
Playgrounds	52,800	40,000	12,800
Open Spaces	3,000	2,000	1,000
WRPF	10,800	4,300	6,500
Community events	2,000	0	2,000
Defibrillators	0	1,200	1,200
Van replacement	6,000	0	6,000
<b>Total</b>	<b>319,350</b>	<b>73,350</b>	<b>247,200</b>
<b>Environment &amp; Heritage Committee</b>			
Street furniture	10,337	2,487	7,850
Christmas lights	0	1,000	1,000
Oakwood Hill Estate improvements	2,000	2,000	4,000
Allotments	1,000	0	1,000
Community toilet scheme	1,000	0	1,000
Cemetery	33,265	6,000	27,265
Cemetery plot maint endowment (restricted fund)	8,262	0	8,262
Lady Whitaker's Mead/new cemetery	45,000	600	44,400
Tree strategy	500	0	500
Roding Hub	500	0	500
<b>Total</b>	<b>101,864</b>	<b>6,087</b>	<b>95,777</b>
<b>Resources and General Services Committee</b>			
Elections	31,000	23,000	8,000
Noticeboards	2,000	1,000	1,000
Office expenses	3,570	570	3,000
Communication	0	1,000	1,000
Council expenses	1,907	93	2,000
Accommodation	13,450	3,000	16,450
Buckingham Court maintenance fund	2,000	0	2,000
Honours board	700	0	700
<b>Total</b>	<b>54,627</b>	<b>20,477</b>	<b>34,150</b>
<b>Planning &amp; Licensing Committee</b>			
Neighbourhood Plans	25,000	0	25,000
<b>Total</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>
<b>Grand total</b>	<b>500,841</b>	<b>99,914</b>	<b>402,127</b>



## Summary Income &amp; Expenditure by Budget Heading 31/03/2017

Month No : 12

## Committee Report

		Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Of Budget
<b><u>Resources and General Services</u></b>								
Communication	Expenditure	20,174	17,192	21,800	4,608		4,608	78.9 %
Office Expenses	Expenditure	10,261	12,054	12,800	746		746	94.2 %
	Income	31	57	0	57			0.0 %
Audit	Expenditure	2,830	2,860	2,900	40		40	98.6 %
Central Personnel	Expenditure	278,869	300,976	297,300	-3,676		-3,676	101.2 %
Council Expenses	Expenditure	11,676	14,628	12,500	-2,128		-2,128	117.0 %
	Income	200	609	0	609			0.0 %
Other Services (RGS)	Expenditure	3,274	23,426	53,750	30,324		30,324	43.6 %
	Income	0	202	0	202			0.0 %
Members' Expenses	Expenditure	2,072	2,106	2,900	794		794	72.6 %
Buckingham Court	Expenditure	54,399	53,797	39,714	-14,083		-14,083	135.5 %
	Income	8,199	9,611	10,310	-699			93.2 %
Service Re-charge (RGS)	Expenditure	-241,400	-251,000	-251,000	0		0	100.0 %
Library	Expenditure	0	0	8,000	8,000		8,000	0.0 %
Grants	Expenditure	36,886	35,328	35,500	172		172	99.5 %
Resources and General Services Expenditure		<b>179,042</b>	<b>211,367</b>	<b>236,164</b>	<b>24,797</b>	<b>0</b>	<b>24,797</b>	<b>89.5 %</b>
Income		<b>8,430</b>	<b>10,479</b>	<b>10,310</b>	<b>169</b>			<b>101.6 %</b>
Net Expenditure over Income		<b>170,612</b>	<b>200,887</b>	<b>225,854</b>	<b>24,967</b>			
<b><u>Recreation</u></b>								
Kingsley Hall	Expenditure	13,473	18,665	40,500	21,835		21,835	46.1 %
	Income	35,583	34,874	36,000	-1,126			96.9 %
The Murray Hall	Expenditure	136,367	135,437	136,700	1,263		1,263	99.1 %
	Income	65,223	68,551	63,000	5,551			108.8 %
Other Services (Rec)	Expenditure	7,756	8,247	11,200	2,953		2,953	73.6 %
	Income	1,767	1,287	0	1,287			0.0 %
Service Re-charge (Rec)	Expenditure	140,000	131,000	131,000	0		0	100.0 %
Roding Valley Recreation Gnd	Expenditure	140,690	125,660	259,700	134,040		134,040	48.4 %
	Income	9,900	11,191	12,750	-1,559			87.8 %

## Summary Income &amp; Expenditure by Budget Heading 31/03/2017

Month No : 12

## Committee Report

		Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Of Budget
Open Spaces	Expenditure	19,900	21,683	22,300	617		617	97.2 %
	Income	0	0	125	-125			0.0 %
Playgrounds	Expenditure	20,491	99,506	115,950	16,444		16,444	85.8 %
	Income	0	20,920	20,000	920			104.6 %
Skateboard Facility	Expenditure	11,201	1,990	36,410	34,420		34,420	5.5 %
	Income	250	500	0	500			0.0 %
Will. Rd. Playing Field	Expenditure	6,955	10,807	13,000	2,193		2,193	83.1 %
	Income	291	1,619	305	1,314			530.8 %
Van replacement fund	Expenditure	0	0	1,000	1,000		1,000	0.0 %
	Recreation Expenditure	496,833	<b>552,994</b>	<b>767,760</b>	<b>214,766</b>	<b>0</b>	<b>214,766</b>	<b>72.0 %</b>
	Income	113,012	<b>138,942</b>	<b>132,180</b>	<b>6,762</b>			<b>105.1 %</b>
	Net Expenditure over Income	<b>383,821</b>	<b>414,052</b>	<b>635,580</b>	<b>221,528</b>			

**Environment and Heritage**

Christmas Best Dressed Window	Expenditure	334	391	375	-15		-15	104.1 %
Cemetery (Church Lane)	Expenditure	46,931	42,858	70,880	28,022		28,022	60.5 %
	Income	15,666	23,469	22,500	969			104.3 %
Street Furniture	Expenditure	28,639	19,428	31,120	11,692		11,692	62.4 %
	Income	2,092	0	0	0			0.0 %
Allotments	Expenditure	8,449	4,907	7,080	2,173		2,173	69.3 %
	Income	3,910	3,032	2,564	468			118.3 %
Cemetery (Debden Lane)	Expenditure	510	510	10,600	10,090		10,090	4.8 %
Other services (EH)	Expenditure	1,160	0	2,000	2,000		2,000	0.0 %
Service Re-charge (EH)	Expenditure	74,400	90,000	90,000	0		0	100.0 %
	Environment and Heritage Expenditure	160,423	<b>158,093</b>	<b>212,055</b>	<b>53,962</b>	<b>0</b>	<b>53,962</b>	<b>74.6 %</b>
	Income	21,668	<b>26,501</b>	<b>25,064</b>	<b>1,437</b>			<b>105.7 %</b>
	Net Expenditure over Income	<b>138,755</b>	<b>131,592</b>	<b>186,991</b>	<b>55,399</b>			

**Planning and Licensing**

Service Re-charge (PL)	Expenditure	27,000	30,000	30,000	0		0	100.0 %
Other Services (PLC)	Expenditure	121	68	25,500	25,432		25,432	0.3 %

## Summary Income &amp; Expenditure by Budget Heading 31/03/2017

Month No : 12

## Committee Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Of Budget
Planning and Licensing Expenditure	27,121	<b>30,068</b>	<b>55,500</b>	<b>25,432</b>	<b>0</b>	<b>25,432</b>	<b>54.2 %</b>
Income	0	<b>0</b>	<b>0</b>	<b>0</b>			<b>0.0 %</b>
Net Expenditure over Income	<b>27,121</b>	<b>30,068</b>	<b>55,500</b>	<b>25,432</b>			

**Van**

Van Expenditure	0	0	0	0		0	0.0 %
Van Expenditure	0	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0 %</b>
Income	0	<b>0</b>	<b>0</b>	<b>0</b>			<b>0.0 %</b>
Net Expenditure over Income	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			

**Other Costs and Income**

Other Costs and Income							
Income	643,590	641,079	645,125	-4,046			99.4 %
Other Costs and Income Expenditure	0	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0 %</b>
Income	643,590	<b>641,079</b>	<b>645,125</b>	<b>-4,046</b>			<b>99.4 %</b>
Net Expenditure over Income	<b>-643,590</b>	<b>-641,079</b>	<b>-645,125</b>	<b>-4,046</b>			

<b>INCOME - EXPENDITURE TOTALS</b> Expenditure	<b>863,419</b>	<b>952,522</b>	<b>1,271,479</b>	<b>318,957</b>	<b>0</b>	<b>318,957</b>	<b>74.9 %</b>
Income	<b>786,701</b>	<b>817,001</b>	<b>812,679</b>	<b>4,322</b>			<b>100.5 %</b>
Net Expenditure over Income	<b>76,718</b>	<b>135,521</b>	<b>458,800</b>	<b>323,279</b>			



31st March 2016		31st March 2017		
Net Value	Fixed Assets	Cost of Asset	Depreciation	Net Value
<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>
	<b>Current Assets</b>			
5,156	Debtors	2,757		
1,592	Other Debtors (non Sales Led)	5,503		
26,682	Vat Refunds	29,890		
9,516	Prepayments	11,868		
18,652	Current Account	20,922		
35,000	No 2 Current Account	35,000		
138,049	Capital Reserve	138,096		
209,676	Santander Business Reserve	44,455		
3,000	Security Deposits Current a/c	3,000		
400,000	Santander 180 Day Notice A/c	400,000		
200,597	Nationwide Building Society	201,869		
150	Petty Cash	150		
<u>1,048,070</u>			<u>893,510</u>	
<b>1,048,070</b>	<b>Total Assets</b>			<b>893,510</b>
	<b>Current Liabilities</b>			
143,005	Creditors	142,170		
24,026	Accruals	16,340		
25,998	Receipts in Advance	17,342		
3,700	Security deposits	2,200		
600	Key deposits	960		
3,346	BOOKING DEPOSITS	2,624		
<u>200,674</u>			<u>181,635</u>	
<b>847,396</b>	<b>Total Assets Less Current Liabilities</b>			<b>711,875</b>
	<b>Long Term Liabilities</b>			
<u>0</u>			<u>0</u>	
<b>847,396</b>	<b>Total Assets Less Long Term Liabilities</b>			<b>711,875</b>

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**31st March 2016**

**31st March 2017**

		<b>Represented By</b>	
346,555	General Reserve		309,747
500,841	Earmarked Reserves		402,127
		<hr/> <b>847,396</b> <hr/>	<hr/> <b>711,875</b> <hr/>

The above statement represents fairly the financial position of the authority as at 31st March 2017 and reflects its Income and Expenditure during the year.

Signed :  
Chairman \_\_\_\_\_ Date : \_\_\_\_\_

Signed :  
Responsible  
Financial \_\_\_\_\_ Date : \_\_\_\_\_