

SADBERGE PARISH COUNCIL

COMMENTARY ON THE ACCOUNTS AND ANNUAL RETURN FOR THE YEAR ENDED 31-MAR-2006

Rounding error

There was a rounding error of £1 in Section 1 of the Annual Return for the year ended 31-Mar-2005. In order to provide consistency between Annual Returns, this rounding error has been left in the "31st March 2005" column of the Annual Return for the year ended 31-Mar-2006.

Bank reconciliation

Please see note 7 to the accounts.

Early payment of the Precept and Grant for 2004-05

The accounts for the year ended 31-Mar-2005 are distorted by the early payment of the Precept and the grant from Darlington Borough Council for the year ended 31st March 2005. See note 2 to the accounts.

Increase in the Precept

The main reason for the increase in the Precept from £1,600 (2004-05) to £2,000 (2005-06) was that the Precept for 2005-06 included an amount to fund the replacement of the fencing around the village green.

Variation in the Precept

The table below gives the Precepts and grants for the seven years from 2000-01 to 2006-07.

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Precept	£1,200	£1,500	£1,500	£2,000	£1,600	£2,000	£1,500
Grant	£1,145	£1,156	£1,180	£1,215	£1,251	£1,276	£1,314

The grant from Darlington Borough Council has shown a small but steady year-on-year increase, basically to cover inflation.

The precept has been more variable. Sadberge Parish Council's total budget not very large, and a single significant item in the budget for a given year --- such as, for example, the replacement of the railings around part of the village green --- can make a comparatively large percentage difference to the Parish Council's funding requirement for that year. Since the grant is effectively constant, any variation in the funding requirement tends to make an even larger percentage change to the Precept.

Increase in Total Other Receipts

The Other Receipts for 2005-06 include a number of one-off receipts:-

- (a) A grant of £108.75 from the National Association of Local Councils (NALC) towards the cost of a training course for the Clerk.

- (b) A grant of £2853.26 from the Tees Valley Rural Community Council (TRVCC) towards the cost of preparing a Parish Plan for Sadberge. The expenditure on the Parish Plan will be incurred during the 2006-07 financial year.
- (c) Donations of £70.00 from local residents towards the cost of putting up a Christmas tree on Sadberge village green.

Increase in Other Payments

The main reasons for the increase in Other Payments from £1,809 (2004-05) to £4,765 (2005-06) were:-

- (a) Due to a delay in getting the accounts audited, the external auditor's fees for 2002-03, 2003-04 and 2004-05 were all paid during the 2005-06 financial year. The total audit fees paid during the 2005-06 financial year amounted to £406.55.
- (b) During 2005-06 new railings were installed around the main part of the village green at a cost of £2,762.17.
- (c) The Parish Council put up a Christmas tree on Sadberge village green in 2005. The total cost, including the costs of installing suitable foundations and providing a power supply for the lights, was £756.88. The cost of putting up Christmas trees in future years will be considerably lower.

Risk Assessment

At its meeting on 15th March 2005 the Council reviewed the risks that may prevent it from achieving its objectives.

No formal review of this risk assessment was done during the 2005-06 financial year. However:-

- (a) On 6-Sep-2005 Councillors carried out an inspection tour of the Council's land and property (using an inspection checklist prepared by the Clerk) and action was subsequently taken to address a number of issues that were identified during the tour. See the attached copy of the completed checklist.
- (b) At its meeting on 17-May-2006 the Council decided to extend its insurance cover to include a Fidelity Guarantee.
- (c) Following advice from the External Auditor, the Clerk prepared a more comprehensive Risk Assessment. This was reviewed and adopted by the Council at its meeting on 6-Jun-2006. See the attached document.

Item D in the Internal Audit Report

The Responsible Financial Officer monitors the Council's expenditure on an on-going basis. In future, the Council will also review expenditure against budget at an appropriate frequency; i.e. once or twice per year.

Alastair Mackenzie
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5th September 2006