



**City of Durham  
Charter Trustees for the City of Durham**

Ref: JM

14 June 2016

To: The Mayor and Members of the  
**CHARTER TRUSTEES FOR THE CITY OF DURHAM**  
(Councillors E Bell, B Moir, J Armstrong, D Bell,  
J Blakey, A Bonner, J Chaplow, P Conway, K Corrigan,  
N Foster, D Freeman, O Gunn, D Hall, G Holland,  
A Hopgood, B Kellett, N Martin, M Nicholls, R Ormerod,  
M Plews, M Simmons, D Stoker, P Taylor, J Turnbull,  
M Wilkes and M Williams).

Dear Sir/Madam

A Meeting of the **CHARTER TRUSTEES FOR THE CITY OF DURHAM** will be held in the Council Chamber, County Hall, Durham, on Wednesday 22 June 2016 at 1.00 pm.

**BUSINESS**

1. Apologies for Absence
2. Declarations of interest, if any
3. Minutes of the meeting held on 1 June 2016 (Pages 1 - 4)
4. Revenue Outturn for the year ended 31 March 2016 - Report of the Treasurer (Pages 5 - 10)
5. Annual Return for the year ended 31 March 2016 - Report of the Treasurer (Pages 11 - 24)
6. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Yours faithfully  
Clerk

County Hall, Durham, DH1 5UL  
Tel: 03000 267202  
Web Site: [www.durham.gov.uk](http://www.durham.gov.uk)

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**CHARTER TRUSTEES FOR THE CITY OF DURHAM**

At the **Meeting** of the **Charter Trustees for the City of Durham** held in the Main Hall, Town Hall, Durham, on Wednesday 1 June 2016 at 12.00 pm

**Present:** The Right Worshipful the Mayor of Durham, J Blakey (in the Chair) and Councillors B Moir, D Bell, E Bell, A Bonner, J Chaplow, K Corrigan, N Foster, G Holland, B Kellett, M Nicholls, M Plews, P Taylor and J Turnbull

**1 Prayers**

Prayers were said by Reverend Canon Dr David Kennedy, Acting Dean of Durham.

**2 Apologies for Absence**

Apologies for absence were received from Councillors P Conway, A Hopgood, N Martin and M Williams.

**3 Recording of Proceedings**

Charter Trustees consented to the taking of photographs during the meeting.

**4 Election of Mayor**

The Mayor asked for nominations for the election of Mayor.

Councillor N Foster moved and Councillor B Moir seconded that Councillor Edward Bell, be appointed Mayor of the City of Durham for the ensuing Municipal Year.

**Resolved:**

That Councillor Edward Bell be duly appointed as Mayor of the City of Durham for the ensuing Municipal Year 2016/17.

**5 Appointment of Deputy Mayor**

The Mayor asked for nominations for the election of Deputy Mayor.

Councillor J Blakey moved and Councillor N Foster seconded that Councillor Bill Moir, be appointed Deputy Mayor of the City of Durham for the ensuing Municipal Year.

**Resolved:**

That Councillor Bill Moir be duly appointed as Deputy Mayor for the City of Durham for the ensuing Municipal Year 2016/17.

**The meeting adjourned for 5 minutes in order for the newly elected Mayor and Deputy Mayor to receive chains of office and be robed.**

**6 The newly elected Mayor to receive the Seal and make the Declaration of Acceptance of Office of Mayor**

Councillor Edward Bell received the Seal and read the Declaration of Acceptance of Office as Mayor of the City of Durham which he then signed.

**7 Mayor's Acceptance Speech**

The Mayor conveyed what an honour and a privilege it was to be elected to the prestigious role of Mayor for the City of Durham for the ensuing year.

He thanked his wife Jennifer, his family and staff for their support and expressed his gratitude to Councillor Jan Blakey, Councillor Bill Moir and Alan Blakey who had been instrumental to the role.

The Mayor looked forward to the forthcoming year and would undertake the duties required to enhance the links between the City, Cathedral, University and would continue to maintain the long standing links with the people and organisations within the City.

**8 Mayor to call on Retiring Mayor/Consort to receive the Past Mayor/Consort Jewels**

The Mayor presented Councillor Jan Blakey and Mr Alan Blakey the past Mayor and Consort Jewels as souvenirs to commemorate their year of office.

The Clerk advised that item 9 and 10 be reordered.

**9 Address by the Retiring Mayor**

The retiring Mayor thanked the Deputy Mayor, Trustees, the Mayors Bodyguard, the Acting Dean, Member Support team and Town Hall Staff for all their support during her year in office and everyone who helped raise almost £20,000 for her chosen charity.

Councillor Blakey recalled a year filled with many highlights and memories and hoped she had done the city proud. She wished the new Mayor, his wife Jennifer and the Deputy Mayor a wonderful year ahead.

## **10 Vote of thanks to Retiring Mayor**

Councillor Moir offered the vote of thanks to the retiring Mayor and in doing so read the list of women who had been Mayor since Alderman Rushford. It had often been suggested that Councillor Blakey was the 10th woman to be Mayor but in fact she was the 11th. The record now put straight Councillor Moir then paid tribute to all the hard work of Councillor and Mr Blakey thanking them on behalf of the children who had visited the Town Hall and been visited by the Mayor, the international and local visitors received by the Mayor, and extending grateful thanks from the people of Durham for her good humour, enthusiasm, availability and commitment in making her year in office most memorable.

## **11 Address by the Deputy Mayor**

In accepting the role of Deputy Mayor, Councillor Moir pledged to serve the incoming Mayor and the people of the City of Durham. He reflected on his previous year of office and growing up in the City and looked forward to another year of service in the role.

## **12 Minutes**

Minutes of the meeting held on 13 April 2016 were confirmed as a correct record and signed by the Mayor.

## **13 Declarations of interest**

There were no declarations of interest.

## **14 Mayor's Announcements**

The Mayor announced that the Mayor's Evensong would be held at Durham Cathedral on Sunday 26 June at 3.30pm.

He also announced that due to reasons that would become clear later, his charity for the coming year would be revealed on the 2 June 2016 and asked Trustees and Aldermen for help in supporting the Mayoralty and his chosen charity.

## **15 To swear in a Member of the Mayor's Bodyguard**

Mr Tom Walker was formally sworn in as a member of the Mayor's Bodyguard and signed the Oath.

## **16 Presentation of Mayoral Service Medal**

The Mayor presented a long service award to Mr Ron Clarkson and Mr Chris Fenwick in recognition of the loyal and voluntary service they had given to the Mayors of Durham for the last 10 years.

Mr Bob Clarkson was to be presented with a 20 years' service award, unfortunately he was unable to attend the meeting, therefore would receive his medal at a later date.

The Outgoing Captain of the Mayors Bodyguard presented Mr Alan Blakey with a walking stick bearing the Bodyguards coat of arms as a souvenir of his year in office as the Mayors Consort.

## **17 Appointment of Officers**

Consideration was given to the appointment of Officers as listed on the agenda for the meeting.

### **Resolved:**

That the following Officers be appointed:-

- Pant Master (Miss S Spence)
- Billet Master (Chief Superintendent Kerrin Smith, Durham Constabulary)
- Macebearer (Mr D Baker)
- Swordbearer (Mr S Lincoln)
- Deputy Bearer (Mr F Bilton)
- Assistant Bearer (Mr W Gray)
- Honorary Judicial Recorder (His Honour Judge Christopher Prince)
- Recorder (Mrs C Pattinson)
- Mayor's Chaplain (The Dean of Durham)

## **18 Meetings of the Charter Trustees for the City of Durham**

The Clerk advised Trustees of dates for future meetings of the Charter Trustees for the City of Durham for the municipal year 2016/17 (for copy see file of minutes).

### **Resolved:**

That the report be noted.

The Mayor announced that there was no other business and invited all attending to refreshments.

**Charter Trustees for the City of  
Durham**

**22 June 2016**

**Revenue Outturn for the year ended  
31 March 2016**



City of Durham

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**Report of Jeff Garfoot, Treasurer**

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**Purpose of the Report**

- 1 To provide information on the 2015/16 final revenue outturn.

**Comparison of Revenue Outturn with Budget**

- 2 The total net revenue expenditure for 2015/16 was £52,437; £8,459 or 13.89% less than the original budget of £60,896.
- 3 An analysis of the expenditure over subjective budget headings is set out in Appendix 2. The main reasons for variations from the budget are provided below:

**Transport - £1,111 (10.78%) Underspend**

- 4 Actual costs relating to chauffeuring services and bus hire are £1,047 (14.27%) lower than the budget. This is in line with the previous Mayor's forecasts earlier in the year.
- 5 Actual expenditure relating to the bodyguards allowances is £64 (2.16%) under budget at the financial year end.

**Supplies and Services - £3,588 (19.17%) Underspend**

- 6 Actual expenditure relating to supplies and services is £3,588 (19.17%) lower than budget. This is mainly due to a saving on the cost of insurance and an underspend on hospitality due to a lower number of functions attended to date.
- 7 Hospitality costs are also offset by the income from the Mayor's Civic Dinner detailed overleaf.

### **Income - £3,446 Over Recorded**

- 8 The income from the Mayors Civic Dinner was not included in the original budget.

### **Reserves**

- 9 It was originally anticipated that £6,883 would be drawn from reserves to balance the budget during 2015/16. However, due to the underspend there was a requirement to transfer £1,576 to reserves.
- 10 As at 31 March 2016 the reserve balance will increase to £68,673, as shown in the Reserve Statement at Appendix 3.

### **Recommendations**

- 9 It is **RECOMMENDED** that the Charter Trustees note the final outturn position for the financial year ended 31 March 2016.

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**Contact: Beverley White**

**Tel: 03000 261900**

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**RISKS AND IMPLICATIONS**

**Finance**

The report provides information about the final revenue outturn for 2015/16 for the Charter Trust for the City of Durham.

**Staffing - None**

**Risk - None**

**Equality and Diversity/ Public Sector Equality Duty - None**

**Accommodation - None**

**Crime and Disorder - None**

**Human Rights - None**

**Consultation - None**

**Procurement - None**

**Disability Discrimination Issues - None**

**Legal Implications - None**

## Appendix 2

### Revenue Outturn for the Charter Trust for the City of Durham 2015/16

Annual Budget 2015/16	Budget Head	Year to date Actual	Variance (Projected Outturn v Annual Budget)
£		£	£
	<b>Employees</b>		
0	Mayor's Allowance	0	0
0	Deputy Mayor's Allowance	0	0
	<b>Premises</b>		
3,398	Town Hall	3,398	0
	<b>Transport</b>		
7,338	General transport	6,291	-1,047
2,964	Sergeants at Mace/ Bodyguard	2,900	-64
	<b>Supplies and Services</b>		
15,758	Mayor's hospitality	13,260	-2,498
406	General office expenses	279	-127
2,088	Insurance	1,282	-806
457	External Audit	300	-157
	<b>Support Services</b>		
16,263	Administration	15,967	-296
12,264	Support Services	12,264	0
	<b>Income</b>		
0	Mayor's Civic Dinner	-3,446	-3,446
-40	Investment income	-58	-18
<b>60,896</b>	<b>Net Expenditure</b>	<b>52,437</b>	<b>-8,459</b>
-8,064	<b>Council Tax Support Grant</b>	-8,064	0
-6,883	<b>Transfer to/ -from Reserves</b>	1,576	8,459
<b>45,949</b>	<b>Net budget</b>	<b>45,949</b>	<b>0</b>

### Appendix 3

#### Reserve Statement 2015/16

	£
Reserves as at 31 March 2015	67,097
Transfer to reserves as at 31 March 2016	<u>1,576</u>
<b>Reserves as at 31 March 2016</b>	<b>68,673</b>

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**Charter Trustees for the City of  
Durham**

**22 June 2016**

**Annual Return for the year ended  
31 March 2016**



City of Durham

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**Report of Jeff Garfoot, Treasurer**

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**Purpose of the Report**

1. To seek approval of the Accounting Statements and Annual Governance Statement for the financial year ended 31 March 2016, which are included in the attached Annual Return at pages 2 and 3.

**Background**

2. In accordance with the Accounts and Audit Regulations 2003 (as amended) small relevant bodies in England with an annual turnover of £6.5 million or less must complete an annual return summarising their annual activities at the end of each financial year. To comply, the Annual Return must be approved by the Charter Trustees no later than 30 June 2016. The return is then subject to audit by external auditors appointed by the Audit Commission. On completion, the external auditors' report will be incorporated into the published version of the document at Section 3. The final audited version of the return must be published by the Charter Trust before 30 September 2016.

**Annual Return**

3. The annual return is made up of four sections :
  - Section 1 – Annual Governance Statement, to be signed by the Chair and Clerk of the meeting approving the statement;
  - Section 2 – Accounting Statements, to be signed by the Treasurer and Chair of the meeting approving the accounting statements;
  - Section 3 – External Auditor's certificate and opinion;
  - Section 4 – Annual internal audit report.

4. A copy of the annual return is attached at Appendix 2.

### **Outturn Report**

5. A separate revenue outturn report for the financial year ending 31 March 2016 is included within the agenda for today's meeting. This information is incorporated within Section 2 of the annual return.

### **Recommendations**

6. It is **RECOMMENDED** that the Charter Trustees approve the attached Annual Return (Sections 1 and 2) for the financial year ended 31 March 2016.

**Jeff Garfoot**  
**Treasurer**

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**Contact: Beverley White**

**Tel: 03000 261900**

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## **RISKS AND IMPLICATIONS**

### **Finance**

The report provides a summary of the financial activities of the Charter Trust for the City of Durham as at 31 March 2016.

### **Staffing**

None

### **Risk**

None

### **Equality and Diversity / Public Sector Equality Duty**

None

### **Accommodation**

None

### **Crime and Disorder**

None

### **Human Rights**

None

### **Consultation**

None

### **Procurement**

None

### **Disability Issues**

None

### **Legal Implications**

None





# Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual return for the year ended 31 March 2016

Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'\* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

## The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. Smaller authorities must approve Section 1 before Section 2.
- Section 3 is completed by the external auditor.

In addition, the **internal audit report** is completed by the smaller authority's internal audit provider.

Each smaller authority must approve Sections 1 and 2 of this annual return no later than 30 June 2016.

## 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 highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2016, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

**Your external auditor will ask for any additional documents needed for their work. Unless requested, do not send any original financial records to the external auditor.**

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication or public display of Sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2016.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides 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) or from [www.ada.org.uk](http://www.ada.org.uk)

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014

# Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of  
smaller authority here:

CHARTER TRUST FOR THE CITY OF DURHAM

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 2016, 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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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	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 this smaller authority and recorded as minute reference:

MINUTE REFERENCE  
dated DD/MM/YY

Signed by:

Chair

SIGNATURE REQUIRED

dated

DD/MM/YY

Signed by:

Clerk

SIGNATURE REQUIRED

dated

DD/MM/YY

\*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.

## Section 2 – Accounting statements 2015/16 for

Enter name of  
smaller authority here:

CHARTER TRUST FOR THE CITY OF DURHAM

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
1. Balances brought forward	67,905	66,798	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	45,234	45,948	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	9,546	11,568	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	-15,684	-15,967	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 smaller authority's borrowings (if any).
6. (-) All other payments	-40,203	-39,924	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	66,798	68,423	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	99,962	72,350	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	0	0	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority 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. (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 2016 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 REQUIRED

Date

DD/MM/YYYY

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

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair of the meeting approving these accounting statements.

SIGNATURE REQUIRED

Date

DD/MM/YYYY

## Section 3 – External auditor certificate and report 2015/16 Certificate

We 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 2016 in respect of:

Enter name of  
smaller authority here:

### 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 2016; 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.

### 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 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 smaller authority:

(continue on a separate sheet if required)

External auditor signature

External auditor name

Date

Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

# Annual internal audit report 2015/16 to

Enter name of smaller authority here:

CHARTER TRUST FOR THE CITY OF DURHAM

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 2016.

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.	Y		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Y		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Y		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Y		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Y		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/A
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.	Y		
H. Asset and investments registers were complete and accurate and properly maintained.	Y		
I. Periodic and year-end bank account reconciliations were properly carried out.	Y		
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.	Y		

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

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)

No petty cash

Name of person who carried out the internal audit **PAUL BRADLEY CPFA**

Signature of person who carried out the internal audit *Paul Bradley* Date **31/05/2016**

\*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 2015/16 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 work by the auditor. NALC, SLCC and ADA 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 highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs. **Smaller authorities must approve the annual governance statement before approving the accounts.**
3. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the 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 tell the external auditor about 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 smaller authority 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 2 on page 3**). 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 3**. 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. **From 2016 onwards, you must inform the auditor of the date set for the commencement of the period for the exercise of public rights.**
8. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2015) equals the balance brought forward in the current year (Box 1 of 2016).
9. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	✓
	All additional information requested, including the dates set for the period for the exercise of public rights, has been provided for the external auditor?	✓
Section 1	For any statement to which the response is 'no', an explanation is provided?	✓
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2016 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 a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	N/A
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	✓

\*Note: Practitioners' Guides are available from your local NALC, SLCC or ADA representatives or from [www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk) or [www.ada.org.uk](http://www.ada.org.uk).

Durham City Charter Trust Annual Return 2015/16

Bank Reconciliation

Balance as per General Ledger as at 31st March 2016

	£	£
Reconciled Cash - 936900	3,000.00	
Unreconciled Cash - 936901	0.00	
DCCT - Business Select Instant Access Account - 934001	<u>69,349.72</u>	
		<b>72,349.72</b>

Actual Unpresented Cheques

None 0.00

**Total** 72,349.72

Bank Balance as at 31st March 2016

Balance as per Current Bank Account Statement	3,000.00
DCCT - Business Select Instant Access Account - 934001	<u>69,349.72</u>
Total in Bank	<u><u>72,349.72</u></u>

**Difference** **0.00**

Durham City Charter Trust Annual Return 2015/16

Reconciliation between Box 7 and Box 8 Figures

	Description	Account Code	£
<b>Box 7</b>			<u><b>68,423</b></u>
<b>Box 8</b>			<u><b>72,350</b></u>
Add	Debtor VAT	930890	931
	Debtor Other	930003	
Deduct	S/C Provision - Other	952003	457
	S/C Provision - DCC	952004	-4,440
	Payable Liability - payment in ledger yet to be taken out of bank	952801	-874
	Unreconciled cash	936901	0
<b>Total</b>			<u><u><b>68,423</b></u></u>



**Durham City Charter Trust Annual Return 2015/16**  
**Explanation of Variations from last year to this year**

Box	Annual return figures at		Variance	Main reasons for Variances
	31/03/15	31/03/16		
	£	£	£	
2 Income from local taxation	45,234	45,948	-714	The 2014/15 Band D Council Tax of £1.90 remained unchanged for 2015/16. The increase of £714 is as a result of a change in taxbase, 24,183.4 2015/16 (23,807.60 2014/15).
3 Total other receipts	9,546	11,568	-2,022	In 2015/16 £3,446 income was received in respect of the Majors Civic Dinner. No income was received during 2014/15 in respect of this event. The Council Tax Support Grant reduced in 2015/16 by £1,424.
4 Staff costs	-15,684	-15,967	283	The difference is due to a pay award and also a reduction in the pension deficit figure of £391.
6 All other payments	-40,203	-39,924	-279	Following the merger of the roles of the Chair of Durham County Council with the Mayor of the City of Durham fewer events have been attended by the Mayor and Deputy Mayor and therefore savings have been achieved in payments generally.

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