



CANWICK

P A R I S H C O U N C I L

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AUDIT OF ACCOUNTS 2016/2017 - CANWICK PARISH COUNCIL

1. Please find enclosed the Annual Return Form for the Year Ending 31 Mar 17. As discussed, I apologise that we were slightly behind schedule.
2. We offer the following in respect of the significant variance in Box 6 of Section 2.
3. Our "Other Payments" figure for FY16/17 (£2693) is £1766 less than in the previous year when it was £4459. The difference is mainly attributable to payments for the Dog Warden service. In a typical year the overall cost to us would be around £1000, but as I explained last year, with our small overall level of income and expenditure, a few "one off" payments or payments falling before or after 31 Mar can make a significant percentage difference to our year by year figures. In FY15/16 the dates our payments for the Dog Warden service were made caused our Box 6 "other payments" figure to be higher than normal, and we could have expected this year's figure to have been around £500 less. However, the additional factor for FY16/17 is that at the start of the FY, one of the three other, far larger Parish Councils sharing the Dog Warden service elected to "go it alone" at short notice and employ their own contractor. In the aftermath, our existing Dog Warden was unable to continue with the residual business and the service (and payments for it) ceased. This was long after both the budgeting process had been undertaken and the Precept had been set. We have not been able to appoint a replacement Dog Warden since at an economic price. Accordingly, our "Other Payments" have decreased significantly and our end of FY carry forward has increased to match by around £1000, albeit remaining below the level of our Precept.
4. I submitted a detailed explanation of how the Dog Warden payments had caused a higher than normal Box 6 figure in 2015/16 in my explanatory letter last year, and I reproduce the relevant sub-para below for clarity.

a. Dog Warden Payments. *Our Dog Warden service, a shared one with 3 other villages, is billed half yearly, with the small (and reducing) historic grant from the District Council towards the service being allowed for in the invoice for the Oct-Mar invoice. Other minor variations are caused by the Dog Warden's holidays and the calendar. We pay our bills against invoices when received and if the invoice for the second half of the FY is received too late for payment at our March meeting the payment will fall into the following FY. In 2014 and 2016 our payment was made prior to 31 Mar whereas in 2015 the payment was made after 31 Apr. Thus, in FY14/15 we only made a single payment of £582.40p for the Apr-Sep 14 period, whereas in FY15/16 we made 3 payments. These were £497.23 for Oct 14-Mar 15, £560 for Apr-Sep 15 and £489.76 for Oct 15-Mar 16.*

Without the distortions described above, which account for around £1500 of the difference, this year's Box 6 figure would have fallen well inside the 15% variation level which would not require detailed explanation.

5. We have resolved to use our apparent windfall increase in funds in 2 ways. Firstly, we are negotiating with the Village Hall Trustees, and the Social Club Committee who run the building's day to day business to provide a defibrillator. Secondly, in light of Lincolnshire County Council's recent significant reduction in highway verge grasscutting, we believe we will need to "take up the slack" and pay to maintain the appearance of the village. These likely costs were also factored into our FY17/18 precept.

6. Our overall balance at the year-end, whilst higher than a year ago, remains at a comfortable level when compared to our Precept. It should be sufficient for us to provide timely assistance in the event of a crisis in one of the major village facilities (Village Hall, Playing Fields and Social Club) whilst keeping the scale of our funds appropriately small. We trust you will be content to endorse the present reserves and our intentions for the future.

7. I trust that the notes above and the enclosed copies of our end of FY bank balances and reconciliation will satisfy your requirements. However, if you require further clarification please come back to us via our Clerk, Mrs Shaw, at the address below.

Yours Sincerely

L J PENNELL
Chairman