

CROWBOROUGH TOWN COUNCIL

To all Members of the **FINANCE and GENERAL PURPOSES** Committee (with copies to all other Members for information).

You are summoned to attend a meeting of the **FINANCE and GENERAL PURPOSES** Committee to be held at the Council Offices, Pine Grove, Crowborough on **Tuesday 28th June 2022** at 7.30 pm when it is proposed to transact the following business:

Caroline Miles, Town Clerk
22nd June 2022

MEETINGS OF THE COUNCIL ARE OPEN TO THE PUBLIC.

Questions from members of the public (15 minutes maximum)

IN VIEW OF THE CONFIDENTIAL NATURE OF THE DISCUSSION OF SOME ITEMS ON THIS AGENDA, THE PRESS AND PUBLIC MAY BE EXCLUDED UNDER THE PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960

1. APOLOGIES

2. DECLARATIONS OF INTEREST

3. MINUTES

3.1 To **adopt** the minutes of 26th April and 10th May 2022 as a true record of the meeting

4. FINANCIAL MATTERS

4.1 To **note** the Finance Report and supporting appendices and **agree** any action

4.2 To **review** the Internal Auditors Report

4.3 To **note** the latest figures from Basepoint

4.4 To **note** the property valuations for insurance purposes

4.5 To **note** the Confidential Aged Debtor Report

5. MEETING DATE

5.1 To **change** the meeting date in December from the 20th December to the 13th December.

6. URGENT MATTERS AT THE DISCRETION OF THE CHAIRMAN FOR NOTING AND/OR INCLUSION ON A FUTURE AGENDA



TITLE: Finance Report

AGENDA ITEM NUMBER: 4

MEETING DATE: 29th June 2022

COUNCIL/COMMITTEE: F&GP Committee

PURPOSE OF REPORT:

- 4.1 This report covers F&GP's current income and expenditure against budget and Earmarked Reserves (EMR) position
- 4.2 To review the internal auditors report
- 4.3 To note the latest financial information from Basepoint
- 4.4 To note the property valuations for insurance purposes
- 4.5 To note the confidential debtors report

SUPPORTING DOCUMENTS:

- Appendix A – Income & Expenditure Report
- Appendix B - Earmarked Reserves
- Appendix C – Internal Auditors Report
- Appendix D – Financial Information from Basepoint
- Appendix E – Property Valuations
- Appendix F - Confidential Aged Debt Report

CONTACT OFFICER: RFO

OFFICER RECOMMENDATIONS:	
	<p>The Committee is RECOMMENDED to:</p> <ul style="list-style-type: none">(1) Note the Committee's current income and expenditure position. Appendix A(2) Note this Committee's Earmarked Reserves and agree any actions. Appendix B(3) Note the Internal Auditors Report and agree any actions. Appendix C(4) Note the latest financial information from Basepoint – Appendix D(5) Note the Confidential Aged Debt Report. Appendix E

4.1 Income and Expenditure

- 4.1.1 Attached as Appendix A is the Income & Expenditure report for this Committee for the financial year 2022/2023. **Any recent significant variances are shown in bold**

Corporate Management (101)

4057/101 – Audit Fees. Includes an accrual brought forward from last year for fees relating to 21/22 financial year audits

Democratic Representation (102)

No significant variances to report

Central Admin & Support costs (105)

No significant variances to report

Other Operating Income & Expenditure (109)

No significant variances to report

Pine Grove – Revenue Costs (113)

1118/113 – Income – Basepoint Profit Share. We have received one profit share payment which relates to the quarter ended December 2021. A further invoice has been raised to end of March 2022. These receipts have not been budgeted for as are not guaranteed income

4807/113 – Water. Due to some inaccurate meter readings a larger than anticipated invoice was received at the end of the last financial year. This has been rectified during 22/23 by way of a credit note so currently shows as a credit on this code

Earmarked Reserves

- 4.1.2 This Committees EMR's are attached as Appendix B. Committee is asked to consider if Earmarked Reserves are still required and if not, the amount will be transferred back to the General Reserve.

Bank Reconciliations

- 4.1.3 Bank reconciliations have been signed by the previous chair of F&GP committee up until and including April 2022.

4.2 Internal Auditors Report

Appendix C shows the signed internal auditors report and comments which forms part of the AGAR.

The observation sheet has been completed with Officer comments and is there for Councillors to note.

Councillors are asked whether they would like to look at professional advice to understand whether assets should be included on the Councils assets register or in the Charitable trusts. In particular, Goldsmiths kiosk is included within the asset register and income is reported within the charitable accounts.

The internal auditor has recommended a solicitor who specialises in this area.

4.3 Financial Information from Basepoint

Appendix D shows the latest financial information received from Basepoint for their first quarter of the year ending 31st March 2022. These show a profit of £7,763 resulting in a profit share to CTC of £3,881. This has been invoiced to them and is awaiting payment.

4.4 Property Valuations

Appendix E shows the valuations of property recently undertaken. This includes all property and spaces owned by Crowborough Town Council. A thorough review of ownership is currently being undertaken which includes checks with the Land Registry to ensure all is covered. Goldsmiths Leisure Centre has been included in these valuations as Crowborough Town Council does own the building although it is currently leased to Wealden Council. This would also need to be considered in line with the comments under 4.2.

Once Councillors have reviewed the valuations, they will be passed to our insurance company.

4.5 Confidential Aged Debtors Report

Appendix E shows the Aged Debt Report – no current issues to report. The four customers showing in the up to 60days and +60 day columns are being actively chased for payment – two have promised payment.

Detailed Income & Expenditure by Budget Heading 21/06/2022

Month No: 3

Committee Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
Finance and General Purposes								
101 Corporate Management								
1120 Income- Rechargeable	0	743	0	(743)			0.0%	
Corporate Management :- Income	0	743	0	(743)				0
4055 Stripe Charges	180	0	212	212		212	0.0%	
4056 Bank Charges	793	249	1,700	1,451		1,451	14.6%	
4057 Audit Fees	2,770	(2,415)	4,000	6,415		6,415	(60.4%)	
4058 Legal & Professional Fees	11,791	235	12,120	11,886		11,886	1.9%	
4060 Accounting Support	1,986	971	2,400	1,429		1,429	40.4%	
Corporate Management :- Indirect Expenditure	17,520	(961)	20,432	21,393	0	21,393	(4.7%)	0
Net Income over Expenditure	(17,520)	1,704	(20,432)	(22,136)				
102 Democratic Representation								
4119 Members Allowances	16,102	0	23,787	23,787		23,787	0.0%	
4120 Members Expenses	0	0	200	200		200	0.0%	
4121 Members Courses	140	0	1,000	1,000		1,000	0.0%	
4122 Civic Expenses	486	96	1,000	904		904	9.6%	
Democratic Representation :- Indirect Expenditure	16,728	96	25,987	25,891	0	25,891	0.4%	0
Net Expenditure	(16,728)	(96)	(25,987)	(25,891)				
105 Central Support-Admin Costs								
1050 Income-Pension Forms	140	20	0	(20)			0.0%	
Central Support-Admin Costs :- Income	140	20	0	(20)				0
4015 IT Support	7,315	2,039	7,283	5,244		5,244	28.0%	
4020 Telephone & Postage	6,306	1,088	5,835	4,747		4,747	18.6%	
4021 Stationery and Printing	3,977	690	3,850	3,160		3,160	17.9%	
4022 Insurance	18,309	0	17,905	17,905		17,905	0.0%	
4023 Subscriptions	4,879	3,384	5,200	1,816		1,816	65.1%	
4024 Equipment rental/Lease	1,713	428	1,795	1,367		1,367	23.9%	
4110 New IT Equipment	1,026	1,282	2,500	1,218		1,218	51.3%	
4255 Equipment	874	535	1,000	465		465	53.5%	
Central Support-Admin Costs :- Indirect Expenditure	44,399	9,447	45,368	35,921	0	35,921	20.8%	0
Net Income over Expenditure	(44,259)	(9,427)	(45,368)	(35,941)				

Detailed Income & Expenditure by Budget Heading 21/06/2022

Month No: 3

Committee Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
109 Other Operating Income & Exp.								
1176 Precept Received	1,507,433	761,369	1,522,738	761,369			50.0%	
1190 Income-Interest Received	1,665	811	1,000	189			81.1%	
1191 Income-Loan-Capital/Interest R	2,700	2,095	2,095	0			100.0%	
1196 Income-CIL receipts	14,167	154,161	0	(154,161)			0.0%	154,161
Other Operating Income & Exp. :- Income	1,525,965	918,436	1,525,833	607,397			60.2%	154,161
4175 PWLB - CCA Hall	99,371	0	99,370	99,370		99,370	0.0%	
4950 PWLB -G/MOD/GS/S/OA	46,238	0	46,240	46,240		46,240	0.0%	
4951 PWLB - Pine Grove	169,734	84,867	169,735	84,868		84,868	50.0%	35,343
Other Operating Income & Exp. :- Indirect Expenditure	315,343	84,867	315,345	230,478	0	230,478	26.9%	35,343
Net Income over Expenditure	1,210,622	833,569	1,210,488	376,919				
6001 plus Transfer from EMR	0	35,343						
6002 less Transfer to EMR	14,167	154,161						
Movement to/(from) Gen Reserve	1,196,455	714,751						
113 Pine Grove-Revenue Costs								
1051 Income-Miscellaneous	1,576	0	0	0			0.0%	
1103 Income-insurance	0	6,350	0	(6,350)			0.0%	
1115 Income-Library Rechargeable	15,050	0	10,750	10,750			0.0%	
1116 Income-Basepoint Rechargeable	52,324	5,327	35,414	30,087			15.0%	
1117 Income-Basepoint Rent	60,000	15,000	60,000	45,000			25.0%	
1118 Income-Basepoint Profit share	0	12,803	5,000	(7,803)			256.1%	
Pine Grove-Revenue Costs :- Income	128,950	39,480	111,164	71,684			35.5%	0
4012 Rates	13,024	3,875	13,792	9,917		9,917	28.1%	
4017 Health & Safety	1,691	0	1,000	1,000		1,000	0.0%	
4041 Grounds Maintenance	1,491	220	1,500	1,280		1,280	14.7%	
4250 Buildings Maintenance	56,575	4,728	25,000	20,272		20,272	18.9%	
4335 Security, Fire & Alarms	5,379	331	6,000	5,669		5,669	5.5%	
4800 Caretaking/ Cleaning	17,555	3,165	18,250	15,085		15,085	17.3%	
4801 Refuse & Hygiene	3,340	255	3,726	3,471		3,471	6.8%	
4805 Electricity	27,240	6,679	19,570	12,891		12,891	34.1%	
4806 Gas	16,849	6,348	15,914	9,566		9,566	39.9%	
4807 Water and Sewerage	12,028	(6,982)	3,605	10,587		10,587	(193.7%)	
Pine Grove-Revenue Costs :- Indirect Expenditure	155,171	18,619	108,357	89,738	0	89,738	17.2%	0
Net Income over Expenditure	(26,221)	20,861	2,807	(18,054)				
6001 plus Transfer from EMR	43,000	0						
Movement to/(from) Gen Reserve	16,779	20,861						

Detailed Income & Expenditure by Budget Heading 21/06/2022

Month No: 3

Committee Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>115 Other Services to the Public</u>								
4112 Service Level Agreements	45,150	45,150	45,150	0		0	100.0%	
4150 Grants	3,845	7,450	16,000	8,550		8,550	46.6%	
Other Services to the Public :- Indirect Expenditure	48,995	52,600	61,150	8,550	0	8,550	86.0%	0
Net Expenditure	(48,995)	(52,600)	(61,150)	(8,550)				
<u>309 Civic & Community Centres</u>								
1010 Income-Toilet Scheme	617	154	617	463			25.0%	
Civic & Community Centres :- Income	617	154	617	463			25.0%	0
Net Income	617	154	617	463				
<u>901 Earmarked F & GP</u>								
9009 Election Reserve	912	0	0	0		0	0.0%	
Earmarked F & GP :- Indirect Expenditure	912	0	0	0	0	0		0
Net Expenditure	(912)	0	0	0				
6001 plus Transfer from EMR	912	0						
Movement to/(from) Gen Reserve	0	0						
Finance and General Purposes :- Income	1,655,672	958,833	1,637,614	678,781			58.6%	
Expenditure	599,068	164,668	576,639	411,971	0	411,971	28.6%	
Net Income over Expenditure	1,056,604	794,165	1,060,975	266,810				
plus Transfer from EMR	43,912	35,343						
less Transfer to EMR	14,167	154,161						
Movement to/(from) Gen Reserve	1,086,349	675,347						
Grand Totals:- Income	1,655,672	958,833	1,637,614	678,781			58.6%	
Expenditure	599,068	164,668	576,639	411,971	0	411,971	28.6%	
Net Income over Expenditure	1,056,604	794,165	1,060,975	266,810				
plus Transfer from EMR	43,912	35,343						
less Transfer to EMR	14,167	154,161						
Movement to/(from) Gen Reserve	1,086,349	675,347						

<u>Nominal Code</u>	<u>Cost Centre</u>	<u>Earmarked Reserves</u>	<u>Opening Balance</u>	<u>In</u>	<u>Out</u>	<u>Balance as at</u>	<u>Committed</u>	<u>Projected</u>
			<u>01/04/2022</u>			<u>15/06/2022</u>		
314		<u>Finance & General Purposes</u>						
9009	901	Election Reserve	33,874		0	33,874		33,874
9022	901	Training	1,545			1,545		1,545
314		F & GP Total	35,419	0	0	35,419	0	35,419

Annual Internal Audit Report 2021/22

Crowborough Town Council

<https://www.crowboroughtowncouncil.gov.uk/>

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this 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 authority.

Internal control objective	Yes	No	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This 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 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 bank account reconciliations were properly carried out during the year.	✓		
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. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (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 authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

02/06/2021 07/02/2022

Name of person who carried out the internal audit

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit



Date

27/05/2022

*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, the annual internal audit report must explain why not (add separate sheets if needed).

Crowborough Town Council

Financial Year 2021-22

Year End Internal Audit Observations



IAC Audit and Consultancy Ltd
Visit date: 26- May-2022

No.	Audit Test	Observation	Recommendation	Priority	Comments
I	Periodic bank account reconciliations were properly carried out during the year.				
1	Year end bank reconciliation agrees to Box 8 of the Accounting Statements	it was noted the the year end bank reconciliation did not include the balances on nominal codes 202-Petty Cash and 221-Cash Float (The total balances on these two codes was £260)	Council to note	Medium	Petty cash has now been changed within the accounting software to run as a cash book so a separate reconciliation can be printed on a monthly basis for approval by the chair of F&GP and annually by Full Council

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.

No.	Audit Test	Observation	Recommendation	Priority	Comments
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.				
1	Audit Extended Trial Balance agrees to draft Accounting Statements	The Internal Audit Extended Trial Balance did not agree to the draft Accounting Statements. \$106 income on account codes 9059 and 9063 (which should be recorded as Other Income in Box 3) had been netted off against Other Expenditure in Box 6. This was resolved with the RFO during the audit visit	Council to note	Low	\$106 monies received had been entered as a credit on an expense code. Journal was raised to remove this from the expense side and posted to income. Net effect = zero

(For local councils only)
Trust funds (including charitable) – The council met its responsibilities as a trustee

No.	Audit Test	Observation	Recommendation	Priority	Comments
O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee				
1	Trust assets are recorded as assets of the Trust, and NOT as assets of the Council	The Council has a number of assets listed on its asset register which appear to stand on Trust Land. (The Council may need to take appropriate legal advice on this.)	The Council to review its asset register and confirm whether the assets listed are assets of the Council or of the Trust.	High	Councillors to agree next steps

BUILDING OWNER CERTIFICATE

Basepoint Crowborough , United Kingdom

	ACTUAL Q1 2022	ACTUAL FY 2022
Gross Revenue	115,885	115,885
Costs of food, beverage and other supplies	604	604
Staff payroll costs	20,396	20,396
Property costs (including but not limited to taxes, service charges, utility costs)	31,201	31,201
Insurance premiums in connection with provision of services at the Premises	1,267	1,267
Fees and costs of subcontractors engaged for provision of services at the Premises	114	114
Advertising and marketing costs	-	-
Accounting costs	1,554	1,554
Credit card and banking charges	517	517
Introduction, sales commission, brokerage and agent's fees	501	501
Bad debts	2,447	2,447
Cost of refurbishment at or works to the premises (amortised) and lease payments	7,558	7,558
IT hardware, equipment, software licence and maintenance fees	13,562	13,562
Goods and services purchased in connection with Services rendered at the Premises	13,400	13,400
Irrecoverable VAT	-	-
Costs	93,122	93,122
Cashflow available after Costs	22,763	22,763
Unpaid Costs Balance from previous period	-	-
Unpaid Costs Balance to be carried forward from current period	-	-
Unpaid Costs Balance reduction from current period cash flow	-	-
Cashflow available after discharging any Unpaid Costs Balance	22,763	22,763
Guaranteed Rent - £5,000 per month (will start 6 June 2020)	15,000	15,000
Profit Share to Landlord (50% of available proceeds)	3,881	3,881
Tenant's Profit Incentive (50% of available proceeds)	3,881	3,881

I certify that the above is in accordance with the accounting records of Regus and as per our lease agreement.

SIGNED on behalf of IWG



JOY EBROS
FINANCIAL ACCOUNTING MANAGER
RENT & LANDLORD
GLOBAL SERVICE CENTRE

Property Valuations

Property	Existing valuation for insurance purposes	Insurance Re-Instatement
Pinegrove	6,228,544	7,000,000
Goldsmith Leisure Centre Building		4,500,000
Whitehill Centre	461,847	256,000
Herne Chapel & Cemetery	200,181	150,000
Campsite, Goldsmiths Recreation Ground	565,130	650,000
Visitor Centre/Caravan Park Reception	195,027	50,000
Campsite Middle Block	199,516	120,000
Caravan Park	170,586	480,000
Changing Room, Goldsmiths	378,797	400,000
Kiosk/Toilet, Goldsmiths	229,444	110,000
Land adjacent to Goldsmiths - model railway	18,289	25,000
Bowls Pavilion, Wolfe	332,527	350,000
Alderbrook Playing Grounds	1,197,098	1,227,000
CAFC Football Clubhouse	399,033	427,000
Alderbrook Stadium	798,065	800,000
Wolfe Recreation Ground, excluding cottage	874,546	889,000
Wolfe Toilet	41,898	50,000
Cricket Shed	119,710	132,000
Tractor Shed	266,022	259,000
Wolfe Pavillion	446,916	448,000

Property	Existing valuation for insurance purposes	New valuation	Insurance Re-Instatement	Difference
Pinegrove	£6,228,544	£1,050,000	£7,000,000	£771,456
Whitehill Centre	£461,847	£125,000	£256,000	£-205,847
Herne Chapel & Cemetery	£200,181	£60,000	£150,000	£-50,181
Campsite, Goldsmiths Recreation Ground	£548,670	£250,000	£650,000	£101,330
Changing Room, Goldsmiths	£378,797	£300,000	£400,000	£21,203
Kiosk/Toilet, Goldsmiths	£229,444	£100,000	£110,000	£-119,444
Land adjacent to Goldsmiths - model railway	£18,289	£10,000	£25,000	£6,711
Bowls Pavilion, Wolfe	£332,527	£240,000	£350,000	£17,473
Alderbrook Playing Grounds	£1,197,098	£100,000	£1,227,000	£29,902
Wolfe Recreation Ground, excluding cottage	£874,546	£100,000	£864,000	£-10,546
	£10,469,943		£11,032,000	£562,057
MOD Playing Field		£30,000		
Summersales		£115,000		
Chapel Green		£30,000		
Owlsbury Allotments		£11,000		
Pilmer Allotments		£88,000		
Top Pitch - Goldsmiths		£3,000		
Allotment Football pitch - Goldsmiths		£8,000		
Leisure Centre, Boating Lake, Petanque, Goldsmiths		£105,000		
SkatePark Goldsmith		£5,000		
Area 1 Goldsmiths		£40,000		
Bluebell Wood		£18,000		
Land at The Ghyll		£500,000		
Limekiln Playing Field		£125,000		
Country Park		£200,000		
	£10,469,943	£3,613,000	£11,032,000	