

## **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 20<sup>th</sup> June 2023** at 7.30 pm when it is proposed to transact the following business:

**Caroline Miles, Town Clerk**  
**14<sup>th</sup> June 2023**

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MEETINGS OF THE COUNCIL ARE OPEN TO THE PUBLIC.

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### **QUESTIONS FROM MEMBERS OF THE PUBLIC (15 minutes maximum)**

Members of the public are welcome to address the committee on items listed in this agenda. Please note that those addressing the committee shall not speak for more than 3 minutes. Once public question time has concluded members of the public will not be allowed to interrupt the meeting. Council meetings are meetings held in public but are not public meetings.

#### **1. APOLOGIES**

#### **2. DECLARATIONS OF INTEREST**

#### **3. MINUTES**

- 3.1. To **adopt** the minutes of 25<sup>th</sup> April 2023 and 16<sup>th</sup> May 2023 as a true record of the meeting

#### **4. FINANCE**

- 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 **review** current Payroll Services  
4.4 To **review** the current Energy Contracts and agree a 1 year extension  
4.5 To **note** the latest information on Insurance Claims  
4.6 To **note** the Confidential Aged Debtor Report

#### **5. POLICIES**

- 5.1 To **review** the following policy and **agree** further action  
Freedom of Information and Publication Scheme

#### **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:** 20<sup>th</sup> June 2023

**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)
- 4.2 To review the internal auditors report
- 4.3 To review current Payroll Services
- 4.4 To review the current Energy Contracts and agree a 1 year extension
- 4.5 To note the latest information on Insurance Claims
- 4.6 To note the confidential debtors report

**SUPPORTING DOCUMENTS:**

- Appendix A – Income & Expenditure Report
- Appendix B - Earmarked Reserves
- Appendix C – Internal Auditor Report
- Appendix D – Signed AGAR by Internal Auditor
- Appendix E – Payroll Comparison Table
- Appendix F – Confidential Aged Debtor Report

**CONTACT OFFICER:** RFO

<b>OFFICER RECOMMENDATIONS:</b>	
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	The Committee is RECOMMENDED to:
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- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>(1) <b>Note</b> the Committee's current income and expenditure position. Appendix A</li><li>(2) <b>Note</b> this Committee's Earmarked Reserves and <b>agree</b> any actions. Appendix B</li><li>(3) <b>Note</b> the Internal Auditors Report and signed AGAR and <b>agree</b> any actions – Appendices C &amp; D and g</li><li>(4) <b>Agree</b> to change current payroll provider</li><li>(5) <b>Agree</b> a further 1 year extension to the current energy rates based on the Blend and Extend package</li><li>(6) <b>Note</b> the latest information regarding insurance claims</li></ul> |
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#### 4.1 Income and Expenditure

- 4.1.1 Attached as Appendix A is the Income & Expenditure report for this Committee for the financial year 2023/2024. **Any recent significant variances are shown in bold**

##### **No significant variances to report**

Corporate Management (101)

Democratic Representation (102)

Central Admin & Support costs (105)

Other Operating Income & Expenditure (109)

Pine Grove – Revenue Costs (113)

There are no significant variances to report at this time, but we shall see some savings across budgets as the Facilities Officer has done a fantastic job of securing a local company that can service all of our buildings security and fire systems for a fraction of the cost we have been paying. We now have combined all servicing and maintenance across our buildings for Fire/ intruder/ CCTV and access control systems to one contractor based in Crowborough.

#### 4.1.2 Earmarked Reserves

This Committees EMR's are attached as Appendix B.

#### 4.2 Internal Auditors Report

Appendix C shows the signed internal auditors report and comments which forms part of the AGAR – Appendix D. This is the AGAR report which will be presented to Full Council on the 27<sup>th</sup> June to be approved and signed. You will note that the figure in Box 9 for year ended 31.03.22 has been restated to reflect the historical error found in the asset spread sheet (reported at last Full Council meeting)

The Internal Auditor was very pleased with the way the finances are run at the Council and only had a few observations.

- A) Investment Strategy – due to the high cash values, the Council should review where it holds cash balances every 6 months. The RFO will factor this into reports.
- B) Approval of Precept – Should be stated as a value in the minutes of the meeting as well as the % increase. The Clerk will action this at the next Precept setting meeting.
- C) Pavilion Capital Project – For the Council to seek VAT advice to ensure VAT is properly managed specifically with this project. The RFO has contacted the recommended person regarding this and is waiting to hear back with a cost. The RFO has also asked for a price for them to undertake a full VAT review to ensure that all practices are in line. Prices will be brought to the next meeting.
- D) Petty Cash Balance at Year End – For the count to be signed off by 2 people. The RFO will action this and will produce a signed report.
- E) Asset Register - For the asset spread sheet to be transferred to the RBS accounting system through an additional module. This would incur additional licensing costs of £600 for the first year and £225 ongoing. It is suggested that this would happen at the end of a financial period.

#### **4.3 Payroll Services**

We have been experiencing service issues with the current payroll supplier. It is recommended by the RFO that a change of payroll provider happens.

Appendix E shows a comparison table on quoted costs against existing costs.

Three additional companies were contacted from Crowborough, 1 had a conflict of interest, 1 hasn't the capacity to take on any new clients and 1 declined to quote.

#### **4.4 Energy Contracts**

We are currently in fixed term contracts with Engie for all of the gas and electricity supplies. These contracts are fixed until 2027 and although the rates were higher than what had previously been paid, has helped to protect the Council from further increases during the energy crisis. All of the contracts are on a 'Blend and Extend' basis, which means that rates can come down but cannot rise. Engie are currently offering us a further 1 year extension to these rates and it is recommended from the Green Energy Advice Bureau, that we accept this offer to protect the current rates as the market is still trending upwards for the foreseeable future is predicted to remain volatile until the end of the decade. The following table shows the predicted unit rates.



Baseload (£/MWh)	Close	Indicative Price*
Day-Ahead	73.00	78.25
Jul-23	80.18	80.00
Aug-23	80.74	80.74
Sep-23	88.79	88.79
Oct-23	101.46	101.46
Q3-23	83.18	83.00
Q4-23	116.23	115.50
Winter-23	118.87	119.00
Summer-24	100.62	100.00
Winter-24	118.37	117.50
Summer-25	94.61	98.00
Winter-25	119.33	120.00
Summer-26	84.32	88.00

#### 4.5 Insurance Claim Information

There has been one insurance claim that has been logged this financial year. This is for a bench that was hit by a car and was beyond saving. The replacement cost will be in the region of £550 and the claim is currently in the early stages.

#### 4.6 Confidential Aged Debtors Report

Appendix F shows the Aged Debt Report.

RFO

## Detailed Income &amp; Expenditure by Budget Heading 14/06/2023

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
<b><u>Finance and General Purposes</u></b>								
<b><u>101 Corporate Management</u></b>								
1120 Income- Rechargeable	743	0	0	0			0.0%	
Corporate Management :- Income	<b>743</b>	<b>0</b>	<b>0</b>	<b>0</b>				<b>0</b>
4016 Miscellaneous	248	0	0	0		0	0.0%	
4055 Stripe Charges	2	0	175	175		175	0.2%	
4056 Bank Charges	880	218	1,200	982		982	18.2%	
4057 Audit Fees	2,622	(2,363)	2,750	5,113		5,113	(85.9%)	
4058 Legal & Professional Fees	6,399	749	12,000	11,251		11,251	6.2%	
4060 Accounting Support	2,371	1,078	2,500	1,422		1,422	43.1%	
4065 Bad Debt Write Off	1,750	0	0	0		0	0.0%	
Corporate Management :- Indirect Expenditure	<b>14,271</b>	<b>(318)</b>	<b>18,625</b>	<b>18,943</b>	<b>0</b>	<b>18,943</b>	<b>(1.7%)</b>	<b>0</b>
<b>Net Income over Expenditure</b>	<b>(13,528)</b>	<b>318</b>	<b>(18,625)</b>	<b>(18,943)</b>				
<b><u>102 Democratic Representation</u></b>								
4119 Members Allowances	12,484	0	24,000	24,000		24,000	0.0%	
4120 Members Expenses	0	0	200	200		200	0.0%	
4121 Members Courses	190	0	1,000	1,000		1,000	0.0%	
4122 Civic Expenses	960	153	1,000	847		847	15.3%	
Democratic Representation :- Indirect Expenditure	<b>13,634</b>	<b>153</b>	<b>26,200</b>	<b>26,047</b>	<b>0</b>	<b>26,047</b>	<b>0.6%</b>	<b>0</b>
<b>Net Expenditure</b>	<b>(13,634)</b>	<b>(153)</b>	<b>(26,200)</b>	<b>(26,047)</b>				
<b><u>105 Central Support-Admin Costs</u></b>								
1050 Income-Pension Forms	280	20	0	(20)			0.0%	
1051 Income-Miscellaneous	0	5	0	(5)			0.0%	
Central Support-Admin Costs :- Income	<b>280</b>	<b>25</b>	<b>0</b>	<b>(25)</b>				<b>0</b>
4015 IT Support	5,947	2,740	6,750	4,010		4,010	40.6%	
4020 Telephone & Postage	5,999	1,119	5,750	4,631		4,631	19.5%	
4021 Stationery and Printing	3,584	279	4,100	3,821		3,821	6.8%	
4022 Insurance	20,697	0	19,500	19,500		19,500	0.0%	
4023 Subscriptions	4,051	3,934	5,460	1,526		1,526	72.1%	
4024 Equipment rental/Lease	2,208	685	1,830	1,145		1,145	37.5%	
4110 New IT Equipment	2,357	0	2,500	2,500		2,500	0.0%	
4255 Equipment	1,372	191	1,100	909		909	17.4%	
Central Support-Admin Costs :- Indirect Expenditure	<b>46,214</b>	<b>8,949</b>	<b>46,990</b>	<b>38,041</b>	<b>0</b>	<b>38,041</b>	<b>19.0%</b>	<b>0</b>
<b>Net Income over Expenditure</b>	<b>(45,934)</b>	<b>(8,924)</b>	<b>(46,990)</b>	<b>(38,066)</b>				

## Detailed Income &amp; Expenditure by Budget Heading 14/06/2023

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
<b>109 Other Operating Income &amp; Exp.</b>								
1176 Precept Received	1,522,738	797,965	1,595,929	797,965			50.0%	
1190 Income-Interest Received	14,823	1,936	4,000	2,064			48.4%	
1191 Income-Loan-Capital/Interest R	1,495	0	0	0			0.0%	
1196 Income-CIL receipts	283,232	0	0	0			0.0%	
Other Operating Income & Exp. :- Income	<b>1,822,288</b>	<b>799,900</b>	<b>1,599,929</b>	<b>800,029</b>			<b>50.0%</b>	<b>0</b>
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%	
Other Operating Income & Exp. :- Indirect Expenditure	<b>315,343</b>	<b>84,867</b>	<b>315,345</b>	<b>230,478</b>	<b>0</b>	<b>230,478</b>	<b>26.9%</b>	<b>0</b>
<b>Net Income over Expenditure</b>	<b>1,506,945</b>	<b>715,033</b>	<b>1,284,584</b>	<b>569,551</b>				
6001 plus Transfer from EMR	87,428	0						
6002 less Transfer to EMR	318,575	0						
<b>Movement to/(from) Gen Reserve</b>	<b>1,275,798</b>	<b>715,033</b>						
<b>113 Pine Grove-Revenue Costs</b>								
1103 Income-insurance	6,350	0	0	0			0.0%	
1114 Income - Ashdown Radio	666	0	0	0			0.0%	
1115 Income-Library Rechargeable	17,504	0	17,500	17,500			0.0%	
1116 Income-Basepoint Rechargeable	47,758	8,631	52,000	43,369			16.6%	
1117 Income-Basepoint Rent	60,000	15,000	60,000	45,000			25.0%	
1118 Income-Basepoint Profit share	43,305	27,394	0	(27,394)			0.0%	
Pine Grove-Revenue Costs :- Income	<b>175,583</b>	<b>51,025</b>	<b>129,500</b>	<b>78,475</b>			<b>39.4%</b>	<b>0</b>
4012 Rates	13,024	2,956	14,500	11,544		11,544	20.4%	
4017 Health & Safety	1,029	0	1,000	1,000		1,000	0.0%	
4041 Grounds Maintenance	977	0	1,500	1,500		1,500	0.0%	
4250 Buildings Maintenance	34,637	3,558	25,000	21,442		21,442	14.2%	
4335 Security, Fire & Alarms	5,926	409	6,000	5,591		5,591	6.8%	
4800 Caretaking/ Cleaning	18,901	2,919	21,000	18,081		18,081	13.9%	
4801 Refuse & Hygiene	1,321	1,355	3,500	2,145		2,145	38.7%	
4805 Electricity	35,501	5,918	40,000	34,082		34,082	14.8%	
4806 Gas	20,313	3,694	30,000	26,306		26,306	12.3%	
4807 Water and Sewage	(3,944)	658	3,750	3,092		3,092	17.5%	
Pine Grove-Revenue Costs :- Indirect Expenditure	<b>127,685</b>	<b>21,468</b>	<b>146,250</b>	<b>124,782</b>	<b>0</b>	<b>124,782</b>	<b>14.7%</b>	<b>0</b>
<b>Net Income over Expenditure</b>	<b>47,898</b>	<b>29,557</b>	<b>(16,750)</b>	<b>(46,307)</b>				

## Detailed Income &amp; Expenditure by Budget Heading 14/06/2023

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	47,408	2,258		2,258	95.2%	
4150 Grants	7,450	16,000	16,000	0		0	100.0%	
Other Services to the Public :- Indirect Expenditure	<b>52,600</b>	<b>61,150</b>	<b>63,408</b>	<b>2,258</b>	<b>0</b>	<b>2,258</b>	<b>96.4%</b>	<b>0</b>
<b>Net Expenditure</b>	<b>(52,600)</b>	<b>(61,150)</b>	<b>(63,408)</b>	<b>(2,258)</b>				
<u>309 Civic &amp; Community Centres</u>								
1010 Income-Toilet Scheme	617	154	617	463			25.0%	
Civic & Community Centres :- Income	<b>617</b>	<b>154</b>	<b>617</b>	<b>463</b>			<b>25.0%</b>	<b>0</b>
<b>Net Income</b>	<b>617</b>	<b>154</b>	<b>617</b>	<b>463</b>				
<u>901 Earmarked F &amp; GP</u>								
9009 Election Reserve	365	0	0	0		0	0.0%	
9010 Pine Grove - Water	3,499	0	0	0		0	0.0%	
9012 Grants	0	5,125	0	(5,125)		(5,125)	0.0%	5,125
9071 Pine Grove Buildings Maintenan	8,607	0	0	0		0	0.0%	
Earmarked F & GP :- Indirect Expenditure	<b>12,471</b>	<b>5,125</b>	<b>0</b>	<b>(5,125)</b>	<b>0</b>	<b>(5,125)</b>		<b>5,125</b>
<b>Net Expenditure</b>	<b>(12,471)</b>	<b>(5,125)</b>	<b>0</b>	<b>5,125</b>				
6001 plus Transfer from EMR	12,471	5,125						
<b>Movement to/(from) Gen Reserve</b>	<b>0</b>	<b>0</b>						
Finance and General Purposes :- Income	<b>1,999,511</b>	<b>851,104</b>	<b>1,730,046</b>	<b>878,942</b>			<b>49.2%</b>	
Expenditure	<b>582,218</b>	<b>181,394</b>	<b>616,818</b>	<b>435,424</b>	<b>0</b>	<b>435,424</b>	<b>29.4%</b>	
<b>Net Income over Expenditure</b>	<b>1,417,293</b>	<b>669,710</b>	<b>1,113,228</b>	<b>443,518</b>				
plus Transfer from EMR	<b>99,898</b>	<b>5,125</b>						
less Transfer to EMR	<b>318,575</b>	<b>0</b>						
<b>Movement to/(from) Gen Reserve</b>	<b>1,198,616</b>	<b>674,835</b>						
Grand Totals:- Income	<b>1,999,511</b>	<b>851,104</b>	<b>1,730,046</b>	<b>878,942</b>			<b>49.2%</b>	
Expenditure	<b>582,218</b>	<b>181,394</b>	<b>616,818</b>	<b>435,424</b>	<b>0</b>	<b>435,424</b>	<b>29.4%</b>	
<b>Net Income over Expenditure</b>	<b>1,417,293</b>	<b>669,710</b>	<b>1,113,228</b>	<b>443,518</b>				
plus Transfer from EMR	<b>99,898</b>	<b>5,125</b>						
less Transfer to EMR	<b>318,575</b>	<b>0</b>						
<b>Movement to/(from) Gen Reserve</b>	<b>1,198,616</b>	<b>674,835</b>						

<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>01/04/2023</u>			<u>07/06/2023</u>		
<b>314</b>		<b><u>Finance &amp; General Purposes</u></b>						
9009	901	Election Reserve	33,509			<b>33,509</b>		33,509
9010	901	PineGrove - Water	7,500			<b>7,500</b>		7,500
9011	901	Legal & Professional Fees	5,720			<b>5,720</b>		5,720
9012	901	Grants	8,550		5,125	<b>3,425</b>		3,425
9022	901	Training	1,545			<b>1,545</b>		1,545
<b>314</b>		<b>F &amp; GP Total</b>	<b>56,824</b>	<b>0</b>	<b>5,125</b>	<b>51,699</b>	<b>0</b>	<b>51,699</b>

Karen Whiley  
RFO  
Crowborough Town Council

26 May 2023

Dear Karen

**Crowborough Town Council - Internal Audit 2022-23**

The internal audit of Crowborough Town Council for the 2022-23 financial year is now complete. The interim audit was carried out on 9 November. I visited the Council for the year end audit on 24 May.

**I am pleased to be able to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for 2022-23 with no comments.**

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements— that is the job of external audit.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out in the detailed report, together with the results of my internal audit work for 2022-23. Recommendations identified in the course of my testing are attached at appendix A. These will be followed up at my next audit.

**You should now present this report to the next available meeting of Full Council, to assist councillors with the sign off of the Annual Governance Statement.**

☎ 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP



### **A. Books of Account**

#### **Interim Audit**

The Council uses the RBS Omega accounting application. The following linked modules are also operated:

- Allotments
- Cemeteries.
- Purchase Ledger
- Sales Ledger
- Bookings

Fixed asset records are maintained on an excel spreadsheet, and the RFO records all committed expenditure on an excel workbook, at the point resolution to spend is determined at a Council meeting. The RFO is a qualified accountant and has been with the Council 2 years, and is supported by a Finance Assistant. Both officers are familiar with the operation of the accounting system. I checked user access to the RBS systems. There are 5 members of staff, all with appropriate access to the system.

The Omega system is used to report and record the financial transactions of the Council and a review of the cashbook shows that all data fields are being entered. My audit testing showed that supporting documentation could be readily located from records recorded on RBS, and all key reconciliations were up to date.

I tested opening balances on the RBS system at 1.4.22. The balance sheet value of £1,985,179 agreed to box 7 of the audited accounting statements for 21-22.

I confirmed that the Council's VAT returns are up to date, with VAT claimed to the end of September 2022. I checked that figures in the VAT return have been derived directly from the RBS system and confirmed that the quarter 2 VAT refund was submitted to HMRC on 3 October 2022. The credit was received from HMRC on 4 October 2022. The Council is registered for VAT.

The Council reviewed the previous internal audit report at the June 2022 meeting of Full Council. One recommendation was raised, regarding Council assets on trust land. ( see section O below)

#### **Final Audit**

The Council is up to date with VAT. The VAT return for the period to 1 January to 31 March 2023 was submitted to HMRC on 20 April 2023. Vat reclaimed was £45,231, supported by a schedule of transactions extraction from the RBS accounting system. This has been agreed to the VAT account on the year end balance sheet.

The accounting statements have been agreed back to year end reports extracted from the accounting system. All comparatives reported in the financial statements have been agreed back to the audited 2021-22 accounts, as published on the Council website. An adjustment to the comparative figure for fixed assets recorded in box 9 to the accounts has been actioned, this is explored in section H below. Arithmetic has been checked.

☎ 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

The Council discussed my interim audit report at the Full Council meeting in January 2023. The review is recorded in minutes.

I am satisfied that the requirements of this control objective has been met.

### **B. Financial Regulations & Payments**

#### **Interim Audit**

The Council has a suite of policies and procedures. These are listed on a policy review schedule, with a cycle of renewal dates and committees responsible for reviewing each policy. The Council reviewed the Financial Regulations at the Finance and General Purposes Committee in March 2022 (minute 9684). Standing Orders were reviewed at the Annual Council Meeting in May 2022 (minute 9752). Both documents are based on NALC templates, with local amendments, and are available for review on the Council website.

The Council has a robust process for authorisation of payments to suppliers. The Council approves expenditure via the annual budget process. Purchase orders are raised in advance of expenditure being incurred, these are authorised by the service manager for expenditure up to £500, the Clerk or Deputy Clerk for amounts higher than this. Invoices are sent to the Finance Department, and confirmation is sought from service managers that goods or services have been received. At this point, invoices are logged on to the purchase ledger system by the Finance Assistant and are checked by the RFO.

Payments are made via a weekly payment run. The Finance Assistant sends details of payments due to be made to 2 councillors, who review payments, invoices and purchase orders before approving payment by email. The Finance Assistant then sets the payments up on the bank account, these are authorised by an bank signatory, usually the RFO. Payments are then noted retrospectively at a meeting of Full Council

I tested a sample of 12 transactions, 2 from each of the first 6 months of the financial year, all selected at random. For all transactions sampled, I was able to check:

- PO in place with appropriate authorisation
- Invoice agreed to ledger
- Expenditure appropriate for the council
- Evidence that the service or goods had been received ( eg confirmation from service manager)
- 2 councillors approved by email that the payment could be made ( approval of batch)
- Agreed payment per cashbook to bank account.

I checked 2 direct debit payments to the schedule of direct debits and standing orders approved at full council in January 2022.



One item sampled related to playground construction at Goldsmiths, with a value of £144K. I confirmed that the Council considered tenders and resolved to select the approved contractor at S&R meeting 8.2.22 ( minute 9660). I checked the tender log, and confirmed that 4 tenders were received. I confirmed that the contract was advertised on Contracts Finder, as required by financial regulations

I discussed controls over supplier payment details with the RFO. I recommend payment details for all new suppliers and change of bank details for existing suppliers should be confirmed by phoning a trusted number for the supplier. This is because of the vulnerability of public sector bodies to fraud, due to transparency requirements.

### **Final Audit**

Non pay expenditure per box 6 to the accounts amounted to £1,092,147, up from £890,899 in 2021-22.

I tested a sample of payments selected at random from the cashbook for the final 6 months of 22-23, and repeated tests carried out at the interim audit. I was able to confirm that financial regulations were followed for all payments tested.

I also checked I bank transfer between Council bank accounts to bank statements for both accounts, and to a council minute authorising the transfers. I confirmed that the contract for the Pump Track Project was advertised on the Contracts Finder website, as required by Financial Regulations.

I am satisfied the Council has met the requirements of this control objective.

### **C. Risk Management & Insurance**

#### **Interim and Final Audit**

The Council undertakes a full risk assessment annually. I have confirmed that the risk assessment was reviewed at the Full Council meeting in May 2022. I have reviewed the risk assessment, and it covers risks I would expect to see for a Council of this size. I note that no specific mention is made of the need for adequate data back up on the risk assessment. I suggest this is added, together with details of the back-up test process in place at the Council. The Council has met its obligations in this area for 2022-23. I have confirmed that the Council completed the 2023 review of the risk assessment at the May 2023 meeting of Full Council.

I have confirmed that the Council has a valid insurance certificate, with an expiry date of 5 December, insurance is held with Zurich Municipal. The Council is in the middle of a tender exercise for the insurance renewal. The RFO confirmed there is an extraordinary meeting on 29 November of F&GP Committee to confirm the new insurance policy. I will check this at year end Fidelity cover is currently set at £5 million. This cover was increased in March 2022 to reflect the increased cash holdings at the Council. I confirmed that asset cover appears broadly consistent with the Council's asset register. A new three year deal with Zurich Municipal commenced in December 2023.

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Back up of Council data is managed by the Council's IT contractor, Weald IT. The RFO has obtained confirmation from the IT contractor that data back-ups have been tested and are working well. I tested back up arrangements for the RBS database. It is backed up daily to the D drive. The RFO has confirmed with Weald IT that this partition is included in back up routines .

### **D. Budget, Precept & Reserves**

#### **Interim Audit**

I confirmed that the 2023-24 budget and precept setting process was well underway at the time of our interim audit. Proposed budgets are currently passing through committee. The Council budget will then be reviewed at the December meeting of the F&GP Committee, with a final decision on budget and precept due at Full Council on 11 Jan, before precepting authority deadlines.

Budget monitoring reports are issued to each committee meeting, setting out the budget position for cost centres managed by that committee. This has been confirmed to minutes. A corporate budget v actual report is sent to Councillors each month. However, a budget monitoring report for the whole Council does not appear to be presented to a Council meeting at present. I recommend that this is done to ensure compliance with Financial Regulation 4.8.

4.8. The RFO shall regularly provide the Council and duly delegated Committees with a statement of income and expenditure to date under each head of the budget

#### **Final Audit**

Reserves at 31 March 2023 were £2,164,120 (21-22 £1,985,179).

The Council approved the precept and budget for 23-24 at the Full Council meeting in January 2023. At this meeting, the Council also approved indicative budgets for the next 3 financial years, this is good practice and indicates that the Council has an effective medium term finance strategy.

The approval of the precept in minutes could be improved. The minute should set out the value of the precept being approved, not just the percentage increase. This should be recorded at the next Council meeting. I also recommend that the summary budget being approved should be included in minutes in future years – this provides clarity on the budget approved by council.

The year end balance sheet recorded a general reserve of £ 945K at 31 March 2023. This is 62% of precept and is therefore in the middle of recommended general reserve levels set out in the JPAG Practitioners' Guide. The level of general reserve seems appropriate for this large Council with a significant fixed asset base.

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Earmarked reserves at 31.3.23 were £1.219m. Of this, £550K is held in CIL reserves, 127K is held in the Sport and Recreation reserve and £237K in the Allotments and Cemeteries Reserve. Reserves are reviewed as part of the monthly finance report, and are held in line with the Council's reserves policy,

The Council has published the 22-23 CIL outturn report on the Council website, and the RFO has confirmed that plans are in place to spend CIL monies before expiry dates. I have recommended that VAT advice should be sought before the Council commences the pavilion project, to ensure VAT impact on the project is properly managed.

I am satisfied that the Council is holding an appropriate level of reserves, and that these reserves are effectively managed.

### **E. Income**

#### **Interim Audit**

Crowborough receives income from a number of sources

- Library – share of cleaning and utility costs
- Basepoint - rent, contribution to service charges plus profit share
- Cemeteries
- Allotments
- Sports pitches
- Community halls
- Kiosks

I selected a sample of income transactions from the cashbook for the first 6 months of the financial year. For all transactions tested I was able to agree income back to invoice, and from there I checked the invoice had been correctly raised by reviewing the following:

Lease and utility bills - library

Cleaning bills from cleaning contractor - library

Basepoint cost share calculation maintained by RFO

Basepoint owner report, for profit share.

Notification from insurer – insurance credit.

In the case of Basepoint, I checked credits banked to an income control schedule maintained by the RFO, to ensure the correct amount is paid by the tenant.

For all transactions tested I was able to agree items sampled to relevant supporting documentation.

### **Final Audit**

Precept per box 2 to the accounts was £1,522,738 (2021-22 £1,507,433). This has been agreed to third party documentation provided by Central Government.

Income per box 3 to the accounts was £627,373 (2021-22 £352,011)

I tested a sample of income transactions from the second half of the financial year. The sample was selected at random from the cashbook. I then agreed income booked to the cashbook back to invoice, and confirmed invoices had been correctly raised. I note that the Council received a credit of £22K for NNDR relating to Wolfe Pavilion – this was reclaimed as the Council had not previously registered charitable status with the District Council.

I am satisfied that the Council met the requirements of this control objective.

### **F. Petty cash**

#### **Interim and Final Audits**

The Council holds a petty cash balance of £250. This is counted monthly, by the Finance Assistant, and the count is checked by the RFO. I checked that a count had been carried out at the end of August 22, and that cash per the petty cash tin agreed to accounting records.

The petty cash balance at year end has been counted by the RFO and Finance Assistant. The count should be signed off by both officers to confirm that the count occurred and 2 people were involved.

### **G. Payroll**

#### **Interim Audit**

Payroll is processed by an external agency Advo . All monthly payroll information is collated by the RFO. The Head Groundsman approves overtime and all other overtime is approved by the Clerk - details are sent to the RFO. The RFO prepares a payroll schedule and sends this information to Advo.

Payroll is processed, and the outputs are sent to the RFO for checking prior to payment. Payroll is signed off by the Chair of the Personnel Committee. The Bacs file is then sent by Advo to bank for payment.

I carried out testing of payments made to staff in July 2021. I agreed ledger payments back to payroll information produced by the payroll agency for 4 staff members. I tested that:

- Net pay per cashbook agreed back to payslips
- Basic pay per payroll could be reconciled back to approved rates of pay. I confirmed this to spinal points recorded on contracts of employment, minutes confirming pay rises, and minuted lock up shift allowances.

I confirmed payments had been made to HMRC and to the Pension Fund and that payments agreed to the payroll summary.



### **Final Audit**

Staff costs per box 4 to the accounts were £563,680 (2021-22 £495,159).

I carried out testing of payments made to staff in February 2023. I agreed ledger payments back to monthly payroll information produced by the payroll agency. I selected 3 staff members. I tested that:

- Net pay per cashbook agreed back to payslips
- Basic pay per payroll could be reconciled back to approved rates of pay. I confirmed this to spinal points recorded on contracts of employment, minutes confirming pay rises.

For all officers tested I was able to agree gross pay back to contract or minute confirming rate of pay. The monthly payroll had been signed off as accurate by the RFO and signed as reviewed by Cllr Moss, in advance of payroll date .

I am satisfied that the Council has met the requirements of this control objective.

### **H. Assets and investments**

#### **Final Audit**

Fixed assets per box 9 to the accounts were £ 7,682,268 ( 21-22 £7,543,654 RESTATED).

The Council has restated the 21-22 balance for fixed assets – this has been increased by £13,378. This is to correct an arithmetic error identified in the 21-22 fixed asset spreadsheet. The restatement is the correct way to deal with this error.

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed. I checked the arithmetic within the asset register and found no error.

The asset register records the following movements in the course of the 22-23 financial year

Additions - £293,487  
Disposals - £154,873  
Net movement £138,614

The major addition to the asset register in 22-23 is the new playground at Goldsmiths Recreation Ground. This has been agreed to invoices paid relating to this project, and has correctly been added to the asset register at cost.

The major item deleted from the asset register is the old playground at Goldsmiths ,which had an asset register value of £106,500.

The Council should consider transferring the asset register to the RBS accounting system. This reduces the risk of error inherent in a spreadsheet, and would save staff time in managing asset register accounting.

I am satisfied that the Council has met the requirements of this control objective.

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### **I. Bank reconciliations**

#### **Interim Audit**

The Council has 3 accounts with Natwest and 2 with Lloyds Bank.

Bank reconciliations are completed monthly. A review of the file confirmed that this control is occurring on a timely basis and review is evidenced by the Chairman of the F&GP committee.

I re-performed the September 2022 bank reconciliation. I found no error in the reconciliation and confirmed that the reconciliation is subject to appropriate councillor review, evidenced by signature on the reconciliation. I confirmed the reviewing councillor had been sent copies of all bank statements and was therefore able to agree the reconciliation to bank before sign off.

The Council has an investment strategy in place, this was last reviewed in January 22. Given the high value of cash balances held by the Council, and changing rates of return available on deposit accounts, I suggest that the Council should check consider reviewing where it holds cash balances every 6 months, to ensure that returns are maximised.

#### **Final Audit**

Loans per Box 10 to the accounts were £3,096,950 (21-22 £3,315,322)

The Council has 8 loans outstanding with the Public Loans Works Board. The balance outstanding at 31 March 2023 as disclosed in the accounting statements has been agreed to year end statements published on the Debt Management Office website.

Cash per box 8 to the accounts was £2,125,417 (21-22 £2,052,580)

I reperformed the year end bank reconciliation. All bank statement balances were agreed to paper copy bank statements, cashbook balances were checked to the accounting system. The year end bank reconciliations had been reviewed by a councillor, this has been evidenced on the bank reconciliation.

I am satisfied that the Council is meeting the requirements of this control objective

### **J. Year-end accounts**

The Council has compiled accounts on the income and expenditure basis, a requirement of this larger council. A reconciliation between box 7 and 8 on the accounting statements sets out the debtor and creditor balances to explain the difference.



**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**

## **Interim and Final Audits**

As a larger Council, with income / expenditure in excess of £200K, Crowborough is required to follow the 2015 Transparency Code. It meets this obligation by publishing information on the transparency page on the Council website. This clearly sets out what information is made available. I specifically confirmed that the following information was up to date;

- Grants awarded – 2022-23 grants awarded are published on the community grants page. Full details of grant, beneficiary and purpose of grant are set out.
- Payments over £500 – transactions to the end of March 2023 were published on the website, Council disclosed all transactions in excess of £250
- Contract and tender register for 2022-23 was up to date, including contract awards in quarter 4

The Council is meeting the requirements of this control objective

## **M: Arrangements for Inspection of Accounts**

### **Interim Audit**

Inspection periods for 2021-22 were set as follows

Inspection - Key date	21-22 Actual
Accounts approved at Full Council	21 June Full Council
Date of Announcement	22 June
Inspection period begins	27 June
Inspection period ends	5 August
Correct length	Yes

I can confirm that regulations were followed in this respect and that the Council can therefore sign off that it has met control objective 4 on the annual governance statement.

## **N: Publication requirements 2021-2 AGAR**

### **Interim Audit**

I confirmed that the Council has correctly loaded the audited accounts, annual governance statement and audit certificate for 2021-22 on to the Council website. The conclusion of audit certificate has been correctly published, with a date of 14 September, in advance of the 30 September deadline. The Council received a clear audit certificate from the external auditors dated 9 September 2022, so there are no matters to be taken into consideration in 2021-2. An archive of AGAR documentation going back to 2016-17 is published on the website, as required by regulations

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The audit certificate was reported to Finance and General Purposes at the October meeting.

### **O. Trusteeship**

#### **Interim Audit**

The Council is sole trustee of five charities:

Alderbrook Recreation Ground - Charity Number: 305197

Goldsmiths Recreation Ground - Charity Number: 305196

Silver Jubilee Pleasure Ground - Charity Number: 305198

War Memorial- Charity Number: 255587

Wolfe Recreation Ground- Charity Number: 305199

A separate meeting of the trustees was held on 6 September 2022 to approve the accounting statements of the charities. All charities have nil income and expenditure, as the Council maintains trust land and buildings, and retains the small amount of income generated by these assets.

I have confirmed by reference to the Charity Commission website that 21-22 annual returns for all 5 charities were submitted to the Commission before the statutory deadline. I have also checked that there are no other charities linked to the Town Council listed with the Charity Commission.

I note that the Council has sought legal advice regarding Council assets held on trust land, and that this will be discussed at Full Council and Trust meetings in November. I will review the outcome at the year-end audit. The RFO has confirmed that the assets will not need to be shown in statutory charity accounts should the asset transfer be actioned as smaller charities do not need to publish a balance sheet.

I am satisfied that the Council is meeting this control objective

I would like to take this opportunity to thank you for your assistance with the audit. I attach my invoice and the internal audit report from the AGAR. I look forward to working with you again in 23-24.

Yours sincerely



Mike Platten CPFA

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### Points Forward – Action Plan - Interim audit

Matter Arising	Recommendation	Council Response
I discussed controls over supplier payment details with the RFO.	I recommend payment details for all new suppliers and change of bank details for existing suppliers should be confirmed by phoning a trusted number for the supplier. This is because of the vulnerability of public sector bodies to fraud, due to transparency requirements.	<b>Now in place</b>
A budget monitoring report for the whole Council does not appear to be presented to a Council meeting at present.	I recommend that this is done to ensure compliance with Financial Regulation 4.8.  4.8. The RFO shall regularly provide the Council and duly delegated Committees with a statement of income and expenditure to date under each head of the budget	<b>Go to Full Council each month</b>
Investment Strategy	Given the high value of cash balances held by the Council, and changing rates of return available on deposit accounts, I suggest that the Council should check consider reviewing where it holds cash balances every 6 months, to ensure that returns are maximised.	<b>Reviewed at year end.</b>

## Points Forward – Action Plan - Final audit

Matter Arising	Recommendation	Council Response
The approval of the precept in minutes could be improved.	The minute should set out the value of the precept being approved, not just the percentage increase. This should be recorded at the next Council meeting. I also recommend that the summary budget being approved should be included in minutes in future years – this provides clarity on the budget approved by council.	
Pavilion Capital Project	I have recommended that VAT advice should be sought before the Council commences the pavilion project, to ensure VAT impact on the project is properly managed.	
The petty cash balance at year end has been counted by the RFO and Finance Assistant.	The count should be signed off by both officers to confirm that the count occurred and 2 people were involved.	
The Council should consider transferring the asset register to the RBS accounting system.	This reduces the risk of error inherent in a spreadsheet, and would save staff time in managing asset register accounting.	





# Annual Governance and Accountability Return 2022/23 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2022/23

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
  - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
  - **Sections 1 and 2** **must** be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2023**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2023**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2023
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2022/23

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2023 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

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



## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2022/23

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2023.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2023**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?		
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at <b>31 March 2023</b> been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.	✓	

*\*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



# Annual Internal Audit Report 2022/23

## CROWBOROUGH TOWN COUNCIL

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

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. <b>(For local councils only)</b> 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

09/11/2022

24/05/2023

Name of person who carried out the internal audit

MIKE PLATTEN CPFA

Signature of person who carried out the internal audit



Date

25/05/2023

\*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).



## Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

### Crowborough Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for 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 2023, that:

	Agreed		Yes* means that this 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.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	
2 We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	
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 authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	
5 We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	
6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>	
7 We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>	
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 authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	
3 (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	N/A	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>
	✓			

**\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

and recorded as minute reference:

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk



## Section 2 – Accounting Statements 2022/23 for

Crowborough Town Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	1,827,136	1,985,179	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	1,507,433	1,522,738	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	352,011	627,373	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	495,159	563,680	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	315,343	315,343	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	890,899	1,092,147	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,985,179	2,164,120	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	2,052,580	2,125,417	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	<b>RESTATE</b> 7,543,654	7,682,268	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	3,315,322	3,096,950	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

*K. Whitley*

Date

14.6.23

I confirm that these Accounting Statements were approved by this authority on this date:

as recorded in minute reference:

Signed by Chairman of the meeting where the Accounting Statements were approved



## Section 3 – External Auditor's Report and Certificate 2022/23

In respect of

Crowborough Town Council

### 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor's limited assurance opinion 2022/23

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other 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 authority:

(continue on a separate sheet if required)

### 3 External auditor certificate 2022/23

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

\*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

## Payroll Comparison

	Monthly Charge	Quarterly Charge	RTI Submissions	BACS Submissions	P60's	Annual Total	Set up Costs	Costs for 1st year
Existing Company (based in Newhaven)	£672.00	£162.00	£400.00			£1,234.00		£1,234.00
Sussex Payroll Services (based in Lewes)	£1,038.60	£239.00		£131.84	£95.20	£1,504.64	£150.00	£1,654.64
Simply Payroll (Based in Laughton)	£1,020.00	£77.00		£313.60	£120.00	£1,530.60	£40.00	£1,570.60

[illegible]

# **FREEDOM OF INFORMATION**

## **1. Introduction**

### **The Freedom of Information Act 2000**

The Freedom of Information Act 2000 provides public access to information held by public authorities. It does this in two ways:

- 1.1 Public authorities are obliged to publish certain information about their activities
- 1.2 Members of the public are entitled to request information from public authorities

The Act covers any recorded information that is held by the Council. Recorded information includes printed documents, computer files, letters, emails, photographs, and sound or video recordings.

The Act does not give people access to their own personal data (information about themselves). Individuals wishing to see information about themselves need to make a Subject Access Request under the Data Protection Act.

## **2. What can be requested?**

- 2.1 The right to ask for information only relates to information held by the Council at the time the request is made.
- 2.2 A request under the Freedom of Information Act gives a right to 'information' rather than specific records or documents.
- 2.3 The Council publishes a wide range of information on its website and as per the Council's Publication Scheme. Before submitting a request for information, the Council would urge individuals to visit the Council's website or check the Council's Publication Scheme (available on the website) as the information required may already be published.

## **3. How to make a request**

- 3.1 A request must be made in writing. As much information as possible must be given to enable the Council to identify and locate the information being requested.
- 3.2 Requests may be made to the Town Clerk, Crowborough Town Council, Council Offices, Pine Grove, Crowborough, East Sussex, TN6 1DH or by email to [Information.Request@crowboroughtowncouncil.gov.uk](mailto:Information.Request@crowboroughtowncouncil.gov.uk)
- 3.3 Where an individual is not able to make a request in writing, perhaps as a result of illiteracy, disability or illness, they may ask another person or agency (such as the Citizen's Advice Bureau) to help them or make the request on their behalf.

## **4. Response**

- 4.1 The request will be dealt with by the Town Clerk or in their absence, the Assistant Town Clerk. The Town Clerk will do so in accordance with this policy and the guidance set by the Information Commissioners Office for dealing with requests.
- 4.2 Response to requests for information will be made promptly and within 20 working days after the day of receipt. Subject Access Requests will be responded to within one calendar month. Where we are unable to adhere to these timelines, we will inform requesters of the reasons and will keep them updated.
- 4.3 The requester is entitled to say how they wish the information to be communicated to them. This may be by letter, email, in the form of a summary of the information or by inspection at the Council's

offices. Where an inspection of documents is required, this will be arranged with the Town Clerk for a mutually convenient date and time.

## **5. Charges**

- 5.1 In certain circumstances the Council may charge a fee for any retrieval and provision of information. Full details of any charges will be notified to the requester by the Town Clerk before the request is processed.
- 5.2 The Council's Publication Scheme has full details of charges for the provision of hard copies of documents which is available on the Town Council's website.

## **6. Refusal of a Request**

- 6.2 In certain circumstances the Council may refuse a request for information.
- 6.3 Vexatious and repeated requests and/or applications made with the aim of frustrating the operations of the Council may be refused.
- 6.4 The Council may also refuse to accede to a request for information where the information is considered to be exempted under the Freedom of Information Act. Information on exemptions can be found on the ICO website. <https://ico.org.uk>  
Some parts of a request response may be redacted where the release would breach the Data Protection Act.
- 6.5 All requests will be considered on their merits and with the aim that information should be made available unless it is clearly not in public interest to do so.
- 6.6 A written explanation for any refusal of a request for information will always be given.

## **7. Recording requests**

- 7.1 All requests under the Freedom of Information Act will be recorded on a central log.

## **Appeals**

If you are not happy with the way your request has been handled or your review response you may appeal to:

The Information Commissioner  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF  
Tel: 01625 545745  
Fax: 01625 524510  
website: <https://ico.org.uk>

Further information about your rights under the Freedom of Information Act is available from our website of the **Information Commissioner's Office**.

**Information available from CROWBOROUGH TOWN COUNCIL under the model publication scheme**

<b>Information to be published</b>	<b>How the information can be obtained</b>	<b>Cost</b>
<b>Class 1 – Who we are and what we do</b> (Organisational information, structures, locations and contacts)		
Who's who on the council and its committees	Hard copy	10p per sheet
	Website	Free
Contact details for the Town Clerk and council members	Hard copy	10p per sheet
	Website	Free
Location of main council office and accessibility details	Hard copy	10p per sheet
	Website	Free
Staffing structure	Hard copy	10p per sheet
	Website	Free
<b>Class 2 – What we spend and how we spend it</b> (Financial information relating to projected and actual income and expenditure, procurement, contracts and financial audit)		
Full accounts and audit report	Hard copy	10p per sheet
	Website	Free
Finalised budget	Hard copy	10p per sheet
	Website	Free
Precept	Hard copy	10p per sheet
	Website	Free
Borrowing Approval letter	Hard copy	10p per sheet
	Website	Free
Financial Standing Orders and Regulations	Hard copy	10p per sheet
	Website	Free
Grants given and received	Hard copy	10p per sheet
	Website	Free
List of current contracts awarded and value of contract	Hard copy	10p per sheet
	Website	Free
Members' allowances and expenses	Hard copy	10p per sheet
	Website	Free
<b>Class 3 – What our priorities are and how we are doing</b> (Strategies and plans, performance indicators, audits, inspections)		

Business Plan / Vision Document	Hard copy Website	10p per sheet Free
Annual report to Town Conference	Hard copy Website	Free Free
<b>Class 4 – How we make decisions</b> (Decision making processes and records of decisions)		
Timetable of meetings (Council, any committee/sub-committee meetings and parish meetings)	Hard copy  Web site	10p per sheet  Free
Agendas of meetings (as above)	Hard copy  Web site	10p per sheet  Free
Minutes of meetings (as above) – <i>n.b. this will exclude information that is properly regarded as private to the meeting</i>	Hard copy  Web site	10p per sheet  Free
Reports presented to council meetings – <i>n.b. this will exclude information that is properly regarded as private to the meeting</i>	Hard copy  Web site	10p per sheet  Free
Responses to consultation papers	Hard copy	10p per sheet
Responses to planning applications	Hard copy  Web site	10p per sheet  Free
Bye-laws	Hard copy	10p per sheet
<b>Class 5 – Our policies and procedures</b> (Current written protocols, policies and procedures for delivering our services and responsibilities)		
<u>Policies and procedures for the conduct of council business:</u> Procedural standing orders Committee and sub-committee terms of reference Delegated authority in respect of officers Code of Conduct Policy statements	Hard copy Web site	10p per sheet Free
<u>Policies and procedures about the employment of staff:</u> Equal Opportunities Statement Health and Safety Policy Recruitment policies (including current vacancies) Policies and procedures for handling requests for information Complaints procedures (including those covering requests for information and operating the publication scheme)	Hard copy Web site	10p per sheet Free
Record management policies (records retention, destruction and archive)	Hard copy  website	10p per sheet  Free
Schedule of charges (for the publication of information)	Hard copy  website	10p per sheet  Free

All other policies	Hard copy	10p per sheet
	website	Free
<b>Class 6 – Lists and Registers</b> (Currently maintained lists and registers)		
Any publicly available register or list (if any are held this should be publicised; in most circumstances existing access provisions will suffice)	Hard copy – some information may be available for inspection only	10p per sheet
Assets Register	Hard copy	10p per sheet
	Web site	Free
Register of members' interests	Hard copy	10p per sheet
	Web site	Free
Register of gifts and hospitality	Hard copy	10p per sheet
	Web site	Free
Disclosure log (indicating the information that has been provided in response to requests; recommended as good practice, but may not be held by parish councils)	Hard copy	10p per sheet
<b>Class 7 – The services we offer</b> (information about the services we offer, including leaflets, guidance and newsletters produced for the public and businesses)		
Allotments	Hard copy booking form/maps etc	Free of charge
	Web site	Free
Burial grounds i.e maps and closed churchyards	Available for inspection	Free of charge
Community centres and village halls	Hard copy booking form	Free of charge
Parks, playing fields and recreational facilities	Hard copy booking form	Free of charge
Seating, litter bins, clocks, memorials and lighting	Available for inspection	Free of charge
	Hard copy	10p per sheet
Poster boards	Hard copy booking form	Free of charge
Bus shelters	Available for inspection	Free of charge



	Hard copy	10p per sheet
Newsletters	Delivered to all properties in the parish	Free of charge
Foreign Pension Signing		£10.00 per appointment and sign off.
A summary of services for which the council is entitled to recover a fee, together with those fees (e.g. burial fees)	Hard copy	10p per sheet
	Web site	Free

Postage costs incurred. Actual cost of Royal Mail 2<sup>nd</sup> class.