



# HAILSHAM TOWN COUNCIL

## FINANCE, BUDGET, RESOURCES AND STAFFING COMMITTEE

### AGENDA

**NOTICE IS HEREBY GIVEN OF a meeting of the HAILSHAM TOWN COUNCIL to be held REMOTELY VIA THE INTERNET\*** (access details can be obtained from the Town Clerk on request, email [john.harrison@hailsham-tc.gov.uk](mailto:john.harrison@hailsham-tc.gov.uk) )

**Wednesday 28<sup>th</sup> October 2020 at 7.00 p.m.**

1. **Public Forum**  
Prior to commencement of the remainder of formal business of the meeting, a period of not more than 15 minutes will be assigned for the purpose of permitting members of the public to address the assembly, or ask questions on matters relevant to responsibilities of this committee, at the discretion of the Chairman.
2. The order of formal business to be transacted will thereafter be as follows:
3. **Apologies for Absence**  
To receive apologies for absence of appointed members.
4. **Declarations of Interest**  
To receive notice of declarations of personal or prejudicial interests in respect of items on this agenda.
5. **Minutes of previous Meeting**
  - 5.1 To note that the Minutes and Reports of the Meeting of the Finance, Budget, Resources and Staffing Committee (Ref:FBR/20/4/9-15) held on 26<sup>th</sup> August 2020, may be taken as read, confirmed as correct record, and signed by the Chairman.  
  
To receive an update about progress of resolutions from the last meeting of the Finance, Budget, Resource and Staffing Committee 26<sup>th</sup> August 2020.
6. **Periodic Statements and Committee Expenditure**
  - 6.1 To note and adopt the financial reports as listed below:

- a) Bank Reconciliation as at 30<sup>th</sup> September 2020 (copy attached) & Bank Statements and be signed off by one member of the FBRs committee.
- b) Summary of net expenditure as at 30<sup>th</sup> September 2020 (copy attached)
- c) Summary of the Council's income and expenditure as at the 30<sup>th</sup> September 2020 compared against budgets (summary attached) including variance reports.
- d) List of uncleared cheques totaling £40,294.39 as at 30<sup>th</sup> September 2020 (copy attached), as shown on Bank reconciliation.
- e) List of payments previously certified by a member of the cheque signatory panel amounting to £101,578.15 for payments made during July 2020, £169,785.86 for payments made during August 2020 and £109,149.57 for payments made during September 2020 (In accordance with the Governance and Accountability for Local Councils Practitioners Guide)

6.2      **Free Resource Payments (Section 137 Expenditure)**

To note no expenditure under Section 137 payments for the current quarter.

6.3      **Council CIL/Reserves Statement**

To note and adopt the Council CIL/Reserve Statement as at 30<sup>th</sup> September 2020.

7.0      **Annual Leave Entitlement**

To note the new government annual leave entitlement.

8.0      **Half Year Report**

To note and adopt the amendments/virements in the Finance Officers half year report.

9.0      **Internal Audit 2020 – 2021**

To note and adopt audit plan for the financial year ending 31<sup>st</sup> March 2021.

10.0     **Annual Review of Internal Control**

To note and agree a subcommittee group of members to meet via zoom and review the effectiveness of Internal controls, as per Local Governance and Accountability.

11.0     **Financial Regulations**

To note and adopt the updated version of the Council's Financial Regulations as per Internal Auditors requirement.

**Committee Membership:**

Councillors;

G. Blake-Coggins  
N. Coltman  
B. Granville  
R. Grocock  
K. Hinton  
P. Holbrook  
T. Powis

**Substitutes:**

Councillor C. Bryant  
Councillor D. Cottingham  
Councillor B. Holbrook  
Councillor M. Laxton  
Councillor A. O'Rawe

A handwritten signature in black ink, appearing to read 'John Harrison', with a stylized flourish at the end.

JOHN HARRISON  
Town Clerk

Account Name / Uncleared Cheque	Number	Statement No.	Balance	Total
Current Account	10331333		76095.46	
High Interest Account No. 1	50072672		1794660.74	
High Interest Account No .2	80449288		11590.23	
Treasury Deposit			0.00	
Total of all accounts				1882346.43
<u>Deduct Uncleared cheques</u>				
Payee		Cheque No.	Amount	
S Webber	16.3.2020	24438	14.29	
KBS Inflatables	16.3.2020	24432	200.00	
Friends families & Travellers	23.3.2020	24449	40.00	
Wealden District Council	17.4.2020	24492	309.00	
East Sussex Highways	26.5.2020	24553	2877.48	
Colliers International	31.5.2020	24569	4731.00	
Besthost		DC	102.00	
G Mewett	15.7.2020	24624	25.00	
RG Consultancy	21.7.2020	24635	180.00	
Mr P Miller	31.7.2020	24647	40.35	
Ricochet Signs	31.8.2020	24680	283.20	
Insight International Corp	4.9.2020	24690	181.80	
Wealden Eye	8.9.2020	24693	550.00	
RG Consultancy	15.9.2020	24696	180.00	
Quadient Ltd	15.9.2020	24698	243.68	
Adrians Cleaning Services Ltd	15.9.2020	24701	192.50	
GM Monk	15.9.2020	24702	1731.38	
Safety Net	21.9.2020	24711	134.00	
Wages & Salaries		BACS	1288.89	
Mr M Caira	25.9.2020	24717	45.00	
S Spence	25.9.2020	24718	840.00	
HMRC PAYE	25.9.2020	24719	14457.18	
East Sussex Pension Fund	25.9.2020	24720	8901.36	
GAYE	25.9.2020	24721	109.83	
H Deane	28.9.2020	24723	625.97	
Timpson Ltd	28.9.2020	24724	25.00	
The Edge Systems	30.9.2020	24725	19.08	
Uniserve SE Ltd	30.9.2020	24726	105.60	
Giles (plumber) Ltd	30.9.2020	24727	416.66	
Mr A G Willard	30.9.2020	24728	180.00	
Fieldskill Ltd	30.9.2020	24729	209.83	
Wightman & Parrish	30.9.2020	24731	168.71	
RG Consultancy LTd (Ruskins)	30.9.2020	24732	180.00	
Amstech	30.9.2020	24733	705.60	
Total Value of uncleared cheques				40294.39
				0.00
Petty Cash held				100.00
Account Balance as at 30 th September 2020				1842152.04
Certified Correct    John Harrison, Responsible Finance Officer				

# HAILSHAM TOWN COUNCIL - SUMMARY OF NET EXPENDITURE AS AT 30.09.2020

2020- 2021 Estimates											
BUDGET HEADINGS	Expenditure		Income		Net total	Actual Spend	Actual Income		Total Spend	Funds Remain	% Spent
	A		B								
ALLOTMENTS		2492		3542	-1050	1602	1486		116	-1166	-11%
RECREATION		164913		53150	111763	108675	8925		99750	12014	89%
FINANCE, POLICY AND RESOURCES		955543		1530	954013	461548	2944		458604	495409	48%
BURIALS & PROPERTIES		37439		58400	-20961	23539	27207		-3668	-17293	17%
STREET LIGHTING & FURNITURE		50562		0	50562	2541	0		2541	48021	5%
Precept							546414				
Net VAT					-14145	14629	17940		-3310.53	0	0%
TOTAL		1210949	0	0	116622	1080182	612534	604916	554033	536984	51%
NET EXPENDITURE					1094327	7619					

# HAILSHAM TOWN COUNCIL - INCOME AND EXPENDITURE AS AT 30.09.2020

Item	1st April 2020 to 31st March 2021						
	Account	Annual	Budget	total	Actual Year	Funds	percentage
	Code	Budget	Adjustments	available	to date	Available	spent to date
Allotments - Water supply	101	759		759	442	317	58%
Allotments - Maintenance	101	53		1053	304	749	29%
Allotments - Waste collection - C pond	101	1500		1500	801	699	53%
Allotments - Software Licence	101	180		180	0	180	0%
Allotments - Returnable deposits	101	0	not available to s	4440	55	4385	1%
<b>Total Expenditure - Allotments</b>		<b>2492</b>	<b>0</b>	<b>7932</b>	<b>1602</b>	<b>6330</b>	<b>20%</b>
Income - Allotment Rent	101	3542		3542	1486	0	42%
<b>Total Income - Allotments</b>		<b>3542</b>	<b>0</b>	<b>3542</b>	<b>1486</b>	<b>0</b>	<b>42%</b>
<b>Net expenditure over income</b>		<b>-1050</b>	<b>0</b>	<b>4390</b>	<b>116</b>	<b>6330</b>	
West. Rd Rec - Maintenance	102	955		955	323	632	34%
West. Rd Rec - Water Supply	102	500		500	1547	-1047	309%
West Rd Rec - Drainage	102	2000		2000	2596	-596	130%
<b>Expenditure - Western Road Rec</b>		<b>3455</b>	<b>0</b>	<b>3455</b>	<b>4466</b>	<b>-1011</b>	<b>129%</b>
<b>Income - Western Road Rec</b>	<b>102</b>	<b>1000</b>		<b>1000</b>	<b>30</b>	<b>970</b>	<b>3%</b>
<b>Net Expenditure over Income</b>		<b>2455</b>	<b>0</b>	<b>2455</b>	<b>4436</b>	<b>-1981</b>	
MT - Annual Rent	102	1000		1000	1000	0	100%
MT - Maintenance	102	711		711	123	588	17%
MT - Water Supply	102	70		70	0	70	0%
MT - Pitch Marking Paint & Contractor to Mark	102	530	0	530	443	88	83%
MT - Skate Park Maintenance	102	515		1030	0	1030	0%
MT - Drainage	102	2000		2000	0	2000	0%
<b>Expenditure - Maurice Thornton Playing Field</b>		<b>4826</b>	<b>0</b>	<b>5341</b>	<b>1565</b>	<b>3776</b>	<b>29%</b>
<b>Net Expenditure over Income</b>		<b>4826</b>	<b>0</b>	<b>5341</b>	<b>1565</b>	<b>3776</b>	
Common Pond - Maintenance	102	721		1056	123	933	12%
<b>Net Expenditure over Income</b>		<b>721</b>	<b>0</b>	<b>1056</b>	<b>123</b>	<b>933</b>	
<b>Play Areas</b>							
Play Areas - Insurance	103	1450		1450	1071	379	74%
Play Areas - Maintenance	103	2273		4655	545	4110	12%
Play Areas - New Equipment	103	0		1324	0	1324	0%
<b>Expenditure - Play Areas</b>		<b>3723</b>	<b>0</b>	<b>7429</b>	<b>1617</b>	<b>5812</b>	<b>22%</b>
<b>Net Expenditure over Income</b>		<b>3723</b>	<b>0</b>	<b>7429</b>	<b>1617</b>	<b>5812</b>	
HCP - Maintenance	104	477		477	184	293	39%
HCP - Pest Control	104	515		515	237	278	46%
<b>Expenditure - Hailsham Country Park</b>		<b>992</b>	<b>0</b>	<b>992</b>	<b>421</b>	<b>571</b>	<b>42%</b>
<b>Income - Fishing Permits</b>	<b>104</b>	<b>550</b>		<b>550</b>	<b>796</b>	<b>-246</b>	<b>145%</b>
<b>Net Expenditure over Income</b>		<b>442</b>	<b>0</b>	<b>442</b>	<b>-375</b>	<b>817</b>	
<b>Public Opens Spaces</b>							
Public Open Spaces - Maintenance	104	318		2318	123	2195	5%
Orchard Park Maintenance	104	743		743	61	682	8%
Plant & Skip Hire	104	4000		4000	2519	1481	63%
All Sites - Grass cutting	105	25000		25671	7149	18522	28%
All sites - Tree Works	105	17611	0	21345	10505	10840	49%
Dog Hygiene Bin Emptying	107	19700		19700	12337	7363	63%
Horticultural - Urban Grass Cutting	107	10916		10916	9250	1666	85%
Ersham Rd - Maintenance	102	53		53	0	53	0%
Staff Protective Clothing	304	750		750	82	668	11%
Tools & Equipment	304	1213		1331	782	549	59%
COVID-19					3265	-3265	

Expenditure - Public open spaces		80304	0	86827	46073	40754	53%
Net Expenditure over Income		80304	0	86827	46073	40754	
				1st April 2018 to 31st March 2019			
Item			Income				
			Budget &	total	total spent		percentage
		Budget	Adjustments	available	to		spent
					date		to date
FDL Office Complex							
Insurance	201	13000	0	13000	11448	1552	88%
Telephone	201	3000	0	3000	1064	1936	35%
Utilities/Rates		11702		11702	9203	2499	79%
Waste Disposal	201	2650		2650	2493	157	94%
Cleaning	201	4841	0	4841	319	4522	7%
Maintenance		3036		9062	1719	7343	19%
Intruder Alarm/Fire Extinguisher		854		854	100	754	12%
Expenditure - FDL Office Complex		39083	0	45109	26346	18763	58%
Income - Rent		17000		19625	7875	11750	40%
Income - Room Hire		3000		3000	30	2970	1%
Income - Sundries		400		400	100	300	25%
Income - FDL Office Complex		20400	0	22625	7905	14720	35%
Net Expenditure over Income		18683	0	22484	18441	4043	
Maurice Thornton Pavilion							
MT Pavilion - Utilities	202	1273		1273	429	844	34%
MT Pavilion - General Repairs	202	515		1015	184	831	18%
Expenditure - Maurice Thornton Pavilion		1788	0	2288	614	1674	27%
Income - Hire Fees		1200		1200	154	1046	13%
Net Expenditure over Income		588	0	1088	460	628	
Grovelands Barn - Maintenance	202	250		250	459	-209	184%
Grovelands Barn - Rates	202	2971		2971	2695	276	91%
Grovelands Barn - Utilities	202	500		500	173	327	35%
Expenditure - Grovelands Barn		3721	0	3721	3326	395	89%
Net Expenditure over Income		3721	0	3721	3326	395	
Union Corner - Maintenance Grant	202	1000		1000	0	1000	0%
Net Expenditure over Income		1000	0	1000	0	1000	
James West Community Hall							
Maintenance	202	0		15000	5401	9599	36%
Utilities	202	6400		6400	6968	-568	109%
Cleaning & Hygiene		3500		3500	920	2580	26%
Alarm Maintenance	202	400		400	160	240	40%
Expenditure - James West CH		10300	0	25300	13448	11852	53%
Income - Hire Fees		30000		30000	40	29960	0%
Net Expenditure over Income		-19700	0	-4700	13408	-18108	
Expenditure - Public Toilet	202	15000		15000	2770	12230	18%
Net Expenditure over Income		15000	0	15000	2770	12230	
Cemetery Lodge - General repairs	203	424		5464	0	5464	0%
Expenditure - Cemetery Lodge		424	0	5464	0	5464	0%
Cemetery Lodge - Income rent		6900		6900	3570	3330	52%
Income - Cemetery Lodge		6900	0	6900	3570	3330	52%
Net Expenditure over Income		-6476	0	-1436	-3570	2134	
Cemetery - General Maintenance	203	159		3159	665	2494	21%
Cemetery - Service costs	205	5180		5180	4512	668	87%

Cemetery - Consumables	205	1963		1963	617	1346	31%
Cemetery - Pest Control	205	300		300	239	62	80%
Cemetery - Burial Software Licence	205	339		339	0	339	0%
Cemetery - Section markers	205			1380	0	1380	0%
Cemetery - Extinguisher service	205	124		124	0	124	0%
Cemetery - Grave digging	205	14420		14420	3950	10470	27%
Cemetery - Flowers & Mem trees	205	530		530	140	390	26%
Cemetery - Grass & hedge cutting	205	14000		14000	13418	583	96%
<b>Expenditure - Cemetery</b>		<b>37015</b>	<b>0</b>	<b>41395</b>	<b>23539</b>	<b>17856</b>	<b>57%</b>
<b>Cemetery Income - Burial Fees</b>		<b>51500</b>		<b>51500</b>	<b>27207</b>	<b>24293</b>	<b>53%</b>
<b>Net Expenditure over Income</b>		<b>-14485</b>	<b>0</b>	<b>-10105</b>	<b>-3668</b>	<b>-6437</b>	
Street Lighting Energy	209	13261		13261	0	13261	0%
Street Lighting Maintenance	209	18540		23320	2398	20922	10%
Street Lighting - SOX replacement	209	17297		34594	0	34594	0%
Street Furniture	210	1464		1464	143	1321	10%
Dog bins	210	0		1687	0	1687	0%
<b>Expenditure - Street Lighting and Furniture</b>		<b>50562</b>	<b>0</b>	<b>74326</b>	<b>2541</b>	<b>71785</b>	<b>3%</b>
<b>Net Expenditure over Income</b>		<b>50562</b>	<b>0</b>	<b>74326</b>	<b>2541</b>	<b>71785</b>	
1st April 2018 to 31st March 2019							
<b>Item</b>			<b>Income Budget &amp; Adjustments</b>	<b>total available</b>	<b>total spent to date</b>		<b>percentage spent to date</b>
		<b>Budget</b>			<b>date</b>		
All staff costs	301	709768		752961	321455	431506	43%
Members Allowances	301	24228		24228	11193	13035	46%
Chairmans Allowance	303	1500		1500	0	1500	0%
Office Equipment	302	2300		2300	898	1402	14%
Election Costs	302	0		26761	0	26761	0%
Newsletter production costs & three deliveries	302	9000		9000	2300	6700	26%
Annual Town meeting	302	600		600	0	600	0%
Advertising & Publicity	302	515		515	0	515	0%
Council Website	302	3090		4590	2115	2475	46%
Postage	302	1600		1600	503	1097	31%
Audit fees	302	2864		2864	120	2744	4%
Staff training & travel	302	3090		3090	70	3020	2%
Photocopier	302	3708		3708	1346	2362	36%
IT software	302	1648		1648	724	924	44%
Subscriptions & Publications	302	3914		3914	3667	247	94%
Professional fees	302	3713		3713	2131	1582	57%
Stationery & Consumables	302	4000		4000	1236	2764	31%
Staff Review	302	0		5000	0	5000	0%
Room Hire Expenses - Non projects	302	600	0	600	100	500	17%
Bank Charges	313	637		637	254	383	40%
CCTV Running costs	311	7957		7957	1432	6525	18%
War Memorial - All Service costs	310	350		350	216	134	62%
Neighbourhood Plan	302	0		9227	0	9227	0%
Twinning	306	400		800	0	800	0%
Civic Regalia	302	258		258	0	258	0%
Health & Safety/ Quality Status	302	0		396	0	396	0%
Annual Electrical Test		318		318	0	318	0%
<b>Expenditure - Administration</b>		<b>786058</b>	<b>0</b>	<b>872535</b>	<b>349760</b>	<b>522776</b>	<b>40%</b>
Income - Accounts interest	313	530		530	1544	-1014	291%
Income - CIL	313						
Other Income	313						
Precept							
<b>Income - Administration</b>		<b>530</b>	<b>0</b>	<b>530</b>	<b>1544</b>	<b>-1014</b>	<b>291%</b>
<b>Net Expenditure over Income</b>		<b>785528</b>	<b>0</b>	<b>872005</b>	<b>348216</b>	<b>523789</b>	
<b>Vehicles</b>							
Vehicle - All Costs	<b>305</b>	<b>18620</b>	<b>0</b>	<b>22384</b>	<b>10256</b>		<b>46%</b>
<b>Net expenditure over Income</b>		<b>18620</b>	<b>0</b>	<b>22384</b>	<b>10256</b>		
<b>Tourism</b>							
Tourism (miscellaneous/Event Marketing)	308	742		742	0	742	0%
Communities	308	15914		15914	1281	14633	8%
Bus Alliance	308	1000		1000	0	1000	0%



Festive Lighting	209	11000		11000	6120	4880	56%
<b>Expenditure - Tourism</b>		<b>28656</b>	<b>0</b>	<b>28656</b>	<b>7401</b>	<b>21255</b>	<b>26%</b>
Income - Festive Lighting	209	0		0		0.00	0%
Income - Street market pitch fees							
Income - Bus Alliance Recharge					100.00	-100.00	0%
<b>Income - Tourism</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>-100</b>	<b>0%</b>
<b>Net Expenditure over Income</b>		<b>28656</b>	<b>0</b>	<b>28656</b>	<b>7301</b>	<b>21355</b>	
<b>Youth Service</b>							
Insurance	309	0		0	478	-478	0%
Utilities		8890		8890	7396	1494	83%
Advertising		0		0	200	-200	0%
Waste Disposal		0		0	0	0	0%
Hygiene Supplies		500		500	117	383	23%
Maintenance		3000		3000	6951	-3951	232%
Safe Hub		600		600	499	101	83%
FNP		1000		9462	198	9264	2%
Café		1810		1810	2841	-1031	157%
Minibus		1400		1400	184	1216	13%
Alarm Maintenance		800		800	560	240	70%
<b>Expenditure - Youth Service</b>		<b>18000</b>	<b>0</b>	<b>26462</b>	<b>19424</b>	<b>7038</b>	<b>73%</b>
<b>Income - Youth Café</b>	<b>309</b>	<b>1000</b>		<b>1000</b>	<b>700.00</b>	<b>300</b>	<b>70%</b>
<b>Net Expenditure over Income</b>		<b>17000</b>	<b>0</b>	<b>25462</b>	<b>18724</b>	<b>6738</b>	
<b>Grants</b>							
Annual Grants	307	25000		25000	25000	0	100%
Covid-19 Emergency Grants				16441	10685	5756	65%
Section 137 - Miscellaneous	307	400		400	0	400	0%
<b>Net Expenditure</b>		<b>25400</b>	<b>0</b>	<b>41841</b>	<b>35685</b>	<b>6156</b>	<b>85%</b>
<b>Net Expenditure over Income</b>		<b>25400</b>	<b>0</b>	<b>41841</b>	<b>35685</b>	<b>6156</b>	
<b>Special Projects</b>							
Criminal Damage	309			1056	0	1056	0%
Churchyard CCTV Service Contract	310	309		309	0	309	0%
Post Office Operation costs		20000		68208	17167	51041	25%
Hailsham Revitalization fund	311	5150		21903	250	21653	1%
Maintenance Cortlandt Stable block	310	17540		22822	7989	14833	35%
Hellingly Parish Subsidy	311	27810	0	27180	13439	13741	49%
Bus Concessions	309	8000		12526	178	12348	1%
<b>Net Expenditure - Special Projects</b>		<b>78809</b>	<b>0</b>	<b>154004</b>	<b>39023</b>	<b>114981</b>	<b>25%</b>
<b>Special Projects</b>							
<b>Cortlandt - Rent income</b>		<b>0</b>		<b>0</b>	<b>600</b>	<b>600</b>	<b>0%</b>
<b>Net Expenditure over Income</b>		<b>78809</b>	<b>0</b>	<b>154004</b>	<b>38423</b>	<b>114381</b>	

**Report to:** Finance, Budget, Resource and Staffing Committee

**Date:** 29<sup>th</sup> July 2020

**By:** Michelle Foster – Finance Officer

**Title of report:** Variance Explanation Qtr. 1 – 30.6.2020

**PURPOSE:**

To provide the committee with explanation on variances of the Income and Expenditure reports for Qtr. 1 to 30.6.2020

**BACKGROUND:**

The Council finances work on an Income and Expenditure reporting. Below are details where the actuals are above where budgeted expectations should be.

Please note that all grant payments have been made for the financial year. The blanket insurance cover for the property/vehicles/events/play areas etc, has been paid in full for the year. The rates on most of the council properties have been paid in full in April.

Due to Covid-19 – All our hire income is way below budget as facilities have been closed since March 2020.

Other variances are detailed below.

Western Road – 64% of budget – Due to water bills in first quarter and drainage bill for western road.

Maurice Thornton Annual Rent – 100% of budget – Total cost paid in April for the year.

Groveland's Barn Maintenance – 123% of budget – Advertising – costs incurred to provide extra security padlocks to the premises.

Cemetery Pest Control – 80% of Budget – Due to mole issues at the cemetery, burials clerk has been advised of the small remaining budget.

Cemetery Grass Cutting/Horticultural – 78% of budget – Due to additional hedge and tree work at the cemetery, view at half year point.

Subscriptions/Memberships – 94% - Most of the expenditure is incurred in the first quarter of the financial year.

Bank Account Interest -172% of budget – The higher than budget amount is due to not being able to invest on the treasury deposit due to Covid-19 and the 0% interest offered on monthly treasury deposits, so funds are earning interest in the high interest bank account.

Youth Café Utilities – 76% of budget – Full year of rates paid in April 2020.

**CONSIDERATION:**

To note the variances explanations provided by the Finance Officer on the Income and Expenditure report for Qtr. 1 to 30.6.2020.

**Report to:** Finance, Budget, Resource and Staffing Committee

**Date:** 28<sup>th</sup> October 2020

**By:** Michelle Foster – Finance Officer

**Title of report:** Variance Explanation Qtr. 2 – 30.9.2020

**PURPOSE:**

To provide the committee with explanation on variances of the Income and Expenditure reports for Qtr. 2 to 30.9.2020

**BACKGROUND:**

The Council finances work on an Income and Expenditure reporting. Below are details where the actuals are above where budgeted expectations should be.

I have attached the variance explanation Qtr.1 report as part of the papers for this agenda item. As these variances will not be covered again in this report.

There will be variances on this report that are to be reviewed in the half year report further on in this agenda. I have listed these below.

Western Road Recreation Ground Water – 102 – 309%

Covid 19 Expenditure - £3,265.00

FDL Complex Waste Disposal – 201 – 94%

FDL Complex Utilities/Rates – 201 – 79%

Cemetery Grass & Hedge Cutting – 205 – 96%

Other variances are detailed below.

MT Pitch Marking Paint – 102 - 83% of budget - Year supply purchased in bulk.

Fishing Permit income – 104 – 145% of Budget – Higher income then budgeted due to popularity.

Horticultural – Urban Grass Cutting – 107 – 85% of Budget – Paid in Full

Cemetery – Service costs/Utilities – 205 – 87% of Budget – There will be underspend in the cemetery budget in general which will contra this possible overspend

Rents and Hire income still below expected due to closure for Covid-19, however James West is now open and is available for hire.

Youth Café has now reopened however there no Friday Night Projects due to venues being closed due to Covid-19 and number restrictions.

Allotment rents are coming in, by the end of the next Quarter all rents should be received and in line with budget.

As discussed at FBSRC meeting of 26<sup>th</sup> August 2020, the going costs for PPE and Covid 19 supplies is on average £200.00 per month.

**CONSIDERATION:**

To note the variances explanations provided by the Finance Officer on the Income and Expenditure report for Qtr. 2 to 30.9.2020.

**PAYMENT SCHEDULE FOR JULY 2020**

**101,578.15**

Date	Supplier	Cheque Amount No. (incl VAT)	
6th	Harrod Sport	DC	432.82 Goal post for Countrypark
	Field Skill	24606	31.18 Stationary
	The Broker Network Ltd	24607	460.00 Youth café insurance
7th	Ernest Doe & Sons Ltd	24608	173.40 Cemetery maintenance
	Npower	24609	87.51 4 Market squ Electric
9th	Wealden DC	DC	307.00 Rates
13th	Timpson Ltd	24610	21.00 Keys for H Deane
	Haulaway LTd	24611	480.00 Grab lorry for work at Grovelands Barn site
	Curtis & shaw (sussex) Ltd	24612	76.68 Fuel for plant
	Teklima Ltd	24613	4548.00 Air conditioning work at James west
	Cuckmere Community Buses	24614	177.76 Subsidy
	Wightman & Parrish Ltd	24615	292.51 Hygiene supplies for COVID-19
	Hailsham Town Council CIC	24616	1320.00 Part payment for protective screens P Office - COVID-19
	Npower	24617	417.03 J West Electrc
	Initial Washroom	24618	406.04 Hygiene Contract
	D Sankey Ltd	24619	142.20 Vermin control at countrypark
15th	MA Distribution	24620	600.00 Newsletter Distribution
	Town & Country Tree services	24621	216.00 Tree Work at Station Road Allotments
	Hailsham Community College	24622	71.20 Minibus hire
	Rhino Rod	24623	375.00 High pressure work at Western Rd Recreation Ground
	G Mewett	24624	25.00 Refund of fishing permit
17th	Unserve sE Ltd	24625	249.36 Office 365
	Fuzion4 Ltd	24626	294.00 CCTV work at youth café
	Mr R Gillett	24627	30.00 Sprayer pack for play area - COVID-19
	Mr A Joyes	24628	20.00 Youth café expenses
	H Deane	24629	23.06 Youth café expenses
	The police & crime commissioner Sx	24630	1432.24 CCTV maintenance & transmission Qtr 1
	EON	24631	399.11 Gas and Electric all sites
21st	KCOM	24632	241.20 Website
	Martello Plant Hire Ltd	24633	1506.00 Bobcat and Dumper hire
	N O'Dwyer	24634	55.00 Common pond allotment refund
	RG Consultancy	24635	180.00 Tree survey at Ersham Road
	M & S Print Services Ltd	24636	2040.00 Newsletter Print
	WEL Medical Ltd	24637	125.76 New Electrode pads for defibrulators
	Mrs S Harper	24638	62.97 Hand sanitiser/soap and sign for P Toilets - COVID-19
24th	Wages and Salaries	BACS	33432.31 Wages and salaries
27th	Trade UK Ltd - screwfix	24639	65.97 Outdoor staff workwear
	EON	24640	18.04 4 Mkt s Gas
	GAYE	24641	109.83 Give as you earn
	HMRC PAYE	24642	10610.86 HMRC
	East Sussex Pension fund	24643	8125.56 Pension fund
	Waste Collection	24644	3043.00 Waste Collection - all sites & Dog waste
28th	ESCC	24645	11100.00 Urban Grass cutting
	Town & Country Tree services	24646	1560.00 Tree work - Cemetery
31st	Mr P Miller	24647	40.35 Fuel for vehicle
	Barcombe Landscapes Ltd	24648	8818.63 Horticultural and grass cutting contract
	Countrywide Grounds Maintenance Ltd	24649	1537.50 Cemetery Grass Cutting
	Agrifactors (Southern) Ltd	24650	1117.20 Fertiliser and spray weeds at beaconfields
	Travis Perkins Ltd	24651	331.80 Supplies for fitting signs in play areas - COVID-19
1st	Wealden DC	BACS	1198.00 Rates
2nd	Cognito	DC	19.95 Youth café
6th	Lex Autolease	DD	345.34 Vehicle Leasing
	Bank Charges	BACS	42.43 Bank charges
8th	Allstar	DD	100.13 Vehicle fleet fuel
10th	Lex Autolease	DD	287.69 Vehicle Leasing
13th	Siemens Financial Services	DD	396.80 Photocopier leases
15th	Fuzion4 Ltd	DD	138.00 Alarm maintenance contract
20th	Vostel Ltd	DD	463.41 Telephone Contract
22nd	Apogee Corp	DD	277.52 Photocopier printing costs
	Allstar	DD	53.35 Vehicle fleet fuel
31st	Lex Autolease	DD	262.73 Vehicle Leasing
28th	Roland Dunn	DD	57.12 Professional fees
1st	Rayflex Rubber	DC	705.60 Post office - COVID-19

**101,578.15**

**PAYMENT SCHEDULE FOR AUGUST 2020**

**169,785.86**

Date	Supplier	Cheque Amount No. (incl VAT)	
3rd	SDI Displays	DC	285.94 Floor Hand sanitiser - Post office - COVID-19
5th	Hailsham Town CIC	24652	15000.00 Post Office
	KSV	24653	225.78 Vending Machine Supplies
7th	N Phillips	24654	900.00 Grave Digging
	Macey Industrial Fixing Ltd	24655	41.68 Stock
	Uniserve SE Ltd	24656	249.36 Office 365
	DFIS	24657	76.74 Tyre replacement for Truck
	Wightman and Parrish	24658	63.50 Pump Dispenser for P toilet/Alcohol Bac - COVID-19
11th	Trade Paints Ltd	24659	46.38 Bench Repair
	Cancelled	24660	0.00 Cancelled
	Screwfix - Trade UK	24661	19.99 Outdoor staff workwear
	Accomplice Ltd	24662	2436.34 Safety Screens for post office/FDL - COVID-19
	Npower	24663	99.25 War Memorial Electric
17th	Uniserve SE Ltd	24664	108.00 GDS Lock service
	H Deane	24665	161.70 Youth Café/Monday Club
	EON	24666	425.27 Electric/Gas - All sites
	Mr P Miller	24667	60.18 Vehicle Fuel
	Business Waste	24668	2536.92 Waste Collection - all sites & Dog waste
20th	D Sankey	24669	144.00 Mole control - Harold Rd Allotment
	Town & Country Tree Services	24670	624.00 Tree work - Coopers way/Western Rd/Common pond
	Npower	24671	88.55 4 Mkt Sq Electric
25th	Screwfix - Trade UK	24672	9.79 J West Bolts
	OGD Ltd	24673	564.00 Electronic Gate Repair
	Travis Perkins Ltd	24674	161.96 Ballast Y Café and Cemetery
	Initial Washroom	24675	104.51 Hygiene Supplies
26th	EON	24676	14.39 4 Mkt Sq Gas
	Robins of Hertsmonceux	24677	30.00 Top soil
13th	Wealden District Council	DC	307.00 4 Mkt Sq Rates
	Business Stream	DC	1239.45 Water Supply
	Business Stream	DC	101.20 Water Supply
25th	Besthost	DC	180.00 Word press
	Wages and salaries	BACS	35489.22 Wages and salaries
	Cancelled Cheque 24571	24571	-484.40 Business Stream Cheque cancelled
31st	S Spence	24678	840.00 Public Toilet Cleaning
	Hailsham Roadway Construction Ltd	24679	1602.00 FDL Tarmac driveway
	Ricochet Signs	24680	283.20 Safe hub signage
	Southern Landscape & Construction	24681	81600.00 Part payment for Exercise track - Western Rd
	Business Stream	24682	113.74 MTP Water
	A Joyes	24683	312.05 Youth café Picnic bench, and fence expenses
	GAYE	24684	109.83 Give As Your Earn
	HMRC PAYE	24685	12099.85 PAYE
	East Sussex Pension Fund	24686	9004.12 Pension Fund
1st	Wealden District Council	DD	1198.00 Rates - P toilet, J West and Market
	Cognito	DC	18.88 Y Café - Forms
	Bank Charges	DD	33.70 Bank charges
4th	Lex Autolease	DD	345.34 Vehicle Leasing
5th	Allstar	DD	42.40 Vehicle fleet fuel
18th	Fuzion 4 Ltd	DD	138.00 Alarm maintenance - Y café, FDL & J West
19th	Allstar	DD	20.94 Vehicle fleet fuel
20th	Vostel Ltd	DD	465.69 Telephone Contract
21st	Siemens Financial services	DD	47.08 Vending Machine Leasing
	Roland Dunn	DD	57.12 Professional Fees
	Siemens Financial services	DD	116.22 Vending Machine Leasing
26th	Apogee	DD	27.00 Photocopier ink

**169,785.86**

**PAYMENT SCHEDULE FOR SEPTEMBER 2020**

**109,149.57**

Date	Supplier	Cheque Amount No. (incl VAT)	
4th	Jarvis & Thomson Ltd	24687	6083.10 Youth Café Fencing
	Fieldskill Ltd	24688	479.70 Stationary & Covid supplies
	Countrywide Grounds Maintenance	24689	1537.50 Cemetery Grass Cutting
	Insight International Corporation LTd	24690	181.80 Grovelands Barn padlocks
	N Phillips	24691	750.00 Grave Digging
8th	Business Waste	24692	2659.21 Waste Collection - all sites & Dog waste
	Wealden Eye	24693	550.00 Advertising
	Cancelled	24694	0.00 Cancelled
	Evolution	24695	774.00 Water testing
15th	RG Consultancy LTd (Ruskins)	24696	180.00 Tree Survey - Anglesey Ave
	Npower	24697	88.54 4 Mkt Square - Electric
	Quadiant UK Ltd	24698	243.68 Franking Machine
	Colliers International	24699	4731.00 2 North street Rent & Service Charge
	Uniserve SE Ltd	24700	253.92 Office 365
	Adrians Cleaning Service	24701	192.50 Cleaning of FDL
	G.M Monk Ltd	24702	1731.38 Air Conditioning - James West
	EDF Energy	24703	274.66 Youth Café - Gas/Electric
	H Deane	24704	809.71 Youth services - Expenses
	Castle Water	24705	1011.95 Water - All sites
	Town & Country Tree services	24706	1968.00 Tree Work - Anglesey & Stroma
21st	Initial Washroom	24707	291.73 Hygiene Supplies
	MFC Outdoor Stores Ltd	24708	59.98 Outdoor Staff workwear
	H Deane	24709	119.54 Youth services - Expenses
	Kaebo Graphics Ltd	24710	170.16 Uniform for Youth Café
	Safety Net Ltd	24711	134.00 DBS checks - youth service
	Festive Illumination	24712	6119.66 1st Payment for festive lighting
	Castle Water	24713	248.79 Water
	EON	24714	432.36 Gas and Electric - All Sites
22nd	Hailsham Roadways	24715	1971.00 Cemetery Pathway
	EON	24716	18.05 4 Mkt Square - Gas
10th	Pitchare Ltd	DC	531.00 Pitch marking paint
21st	John Lewis	DC	59.99 Printer
24th	Turtle Covers	DC	62.50 Vehicle Fleet seat covers
25th	Wages and Salaries	BACS	39302.47 Wages and Salaries
	Mr M Caira	24717	45.00 Eye Test
	S Spence	24718	840.00 Public Toilet Cleaning
	HMRC PAYE	24719	14457.18 HMRC PAYE
	East Sussex Pension Fund	24720	8901.36 Pension Fund
	GAYE	24721	109.83 Give As Your Earn
	Reissue Cheque 24569 - Colliers	24722	0.00 Missing cheque
28th	H Deane	24723	625.97 Youth services - Expenses
	Timpson Ltd	24724	25.00 Keys for youth Café
30th	The Edge Systems	24725	19.08 ID Photocards - Youth service
	Uniserve SE Ltd	24726	105.60 Reception PC repair
	Giles (plumber) Ltd	24727	416.66 Youth Café Repairs
	Mr A G Willard	24728	180.00 Signage
	Fieldskill Ltd	24729	209.83 Stationary
	Cancelled	24730	0.00 Cancelled
	Wightman & Parrish	24731	168.71 Covid supplies
	RG Consultancy LTd (Ruskins)	24732	180.00 Tree Survey - Anglesey Ave
	Amstech	24733	705.60 MT Hut work
1st	Wealden District Council	DD	1198.00 Rates
2nd	Allstar	DD	156.16 Vehicle Fleet fuel
7th	Lex Autolease	DD	357.13 Vehicle Fleet leasing
7th	Bank Charges	BACS	39.63 Bank Charges
8th	Lex Autolease	DD	283.68 Vehicle Fleet leasing
9th	Allstar	DD	52.40 Vehicle Fleet fuel
	Quadiant UK Ltd	DD	100.00 Franking Machine
11th	Lex Autolease	DD	4057.78 Vehicle Fleet leasing
	Wealden District Council	DC	307.00 Rates for 4 Mkt Sq
16th	Allstar	DD	119.98 Vehicle Fleet fuel
18th	Lex Autolease	DD	943.31 Vehicle Fleet leasing
28th	Vostel Ltd	DD	465.68 Telephone Contract
28th	Roland Dunn	DD	57.12 Professional Fee

**109,149.57**



COMMUTED SUM HISTORY																			
date in year		bank account	Treasury deposit	Country Pk & Orchard Pk	Arlington Road East	Butts Field	Diplocks	Focus POS	Grovelands Estate POS	Ripley Land capital	Ripley POS	Ripley Street light	CIL	WDC S106	Historical Commuted Sums	Interest through year	Community Hall epayments during year		
July 2001			166500	70000	40000	16500	11000								29000				
October 2001	Repay works loan of 45k			-20000											-25000				
October 2001			121500	50000	40000	16500	11000								4000				
End of year Balance 31.03.02		15100	121500	50000	40000	16500	11000								4000	5500			
May 2002	10k repaid from precept (loan repayment)		131500	55000	40000	16500	11000								9000				
November 2002	10k used for Diplocks Ball Park						-10000												
			121500	55000	40000	16500	1000								9000				
	Diplocks balance of 1k to historical balance		121500	55000	40000	16500									10000				
November 2002	10k transferred from bank account		131500	55000	40000	16500									20000				
End of year balance 31.03.03		8929	131500	55000	40000	16500									20000	4100			
July 2003	10k repaid from precept (loan repayment)		141500	60000	40000	16500									25000				
March 2004	Use £3500 for Gleneagles Fence	-3500																	
End of year balance 31.03.04		9618	141500	60000	40000	16500									25000	4100			
May 2004	10k repaid from precept (loan repayment)		151500	65000	40000	16500									30000				
Ead of year balance at 31.03.05		15616	151500	65000	40000	16500									30000	5800			
September 2006	Commutated Sum for Focus POS		178100	65000	40000	16500		26600							30000				
September 2006	Loan to Community Hall £16000	-16000																	
End of year balance at 31.03.06		6342	178100	65000	40000	16500		26600							30000	6300			
December 2006	Used £16600 for steam cleaning machine														-16600				
March 2007	Used £5000 for C Park Car Park	-5000																	
End of year balance as at 31.03.07		10582	161500	65000	40000	16500		26600							13400	8400			
June 2007	£8.5 transfer from bank account		170000	65000	40000	16500		26600							21900				
End of year balance as at 31.03.08		12693	170000	65000	40000	16500		26600							21900	8400	1600		
July 2008	Used £5k for Diplocks Grant	-5000																	
December 2008	Commutated sum for Grovelands								30000										
End of year balance as at 31.03.09		15903	200000	65000	40000	16500		26600	30000						21900	6000	1600		
End of year balance as at 31.03.10		17136	200000	65000	40000	16500		26600	30000						21900	700	500		
Balance as reported on Fund Summary at 31.12.10		17426	200000	65000	40000	16500		26600	30000						21900	290			
End of year balance as at 31.03.11		17580	200000	65000	40000	16500		26600	30000						21900	154			
Apr-11	Transfer £15K to Treasury Deposit	-15000	215000	65000	40000	16500		26600	30000						36900				
Jan-12	Loan repay Community Hall																1696		
End of year balance as at 31.03.12		4953	215000	65000	40000	16500		26600	30000						36900	678			
Apr-12	Loan Repay Community hall	13923															8970		
Jun-12	Transfer £10k to Treasury	-10000	225000	65000	40000	16500		26600	30000						46900				
End of year balance as at 31.03.13		4688.53	225000	65000	40000	16500		26600	30000						46900	506.92			
Mar-14	Orchard Park balance to historical funds				40000	16500		26600	30000						111900				
	Arlington Rd balance to historical funds					16500		26600	30000						151900				
	Butts Field balance to historical funds							26600	30000						168400				

[illegible]

[illegible]

COMMUTED SUM HISTORY																		
date in year	bank account	Treasury deposit	Country Pk & Orchard Pk	Arlington Road East	Butts Field	Diplocks	Focus POS	Grovelands Estate POS	Ripley Land capital	Ripley POS	Ripley Street light	CIL	WDC S106	Historical Commuted Sums	Interest through year	Community Hall epayments		
	Western Rd Play area (htc/18/4/206.2)												-125000					
	Western Rd - Running Track (htc/20/4/222.2) £137511																	
			0	0	0	0	0	0	32,855.00	23790.28	6000	345,144.22	139,268.07	39,450.00				
Apr-20	CIL											115311.61						
ongoing	25% of CIL for Major infrastructure (£560,455.83)											-140113.95						
May-20	Improve Path at Countrypark (htc/AM/19/127)											-26000						
Aug-20	Western Rd - Running Track 50% payment (htc/20/4/222)												-68000					
Sep-20	Union Corner Hall (htcxxxx)									-10000								
	Maurice Thornton Pavilion Roof (htcxxxx)											-23000						
	Western Road Pathway Lighting (htcxxxx)											-23850						
			0	0	0	0	0	0	32855	13790.28	6000	247,491.88	71,268.07	39450.00				

**Report to:** Finance, Budget, Resource and Staffing Committee

**Date:** 28<sup>th</sup> October 2020

**By:** Michelle Foster – Finance Officer

**Title of report:** Employee Annual Leave Entitlement

**PURPOSE:**

To note the government amendments to Annual Leave entitlement.

**BACKGROUND:**

The Government released an amendment to employee's annual leave entitlement due the current Covid-19 working restrictions.

I have attached the government notice as an appendix to this agenda item.

It advises all employers that all employees are entitled to carry over any un used annual leave for the next 2 years.

The Finance Officer will advise all staff employees of these changes.

**CONSIDERATION:**

To note that employee annual leave entitlement changes as per government guidelines.

## Report to the FBRs Committee in respect of Budget Variations 2020/21

In accordance with the Local Councils' Governance and Accountability Guidelines and with the Town Clerk's agreement a review of the Councils budget has been completed and the tables below reflect the proposed "virement" (transfer of expenditure from one budget head to another) that is considered necessary.

The financial information contained within this report reflects the progress during the first half of the current financial year with a prediction for the remaining six months. The comparison of actual income and expenditure against budget has highlighted certain budget heads where the likely result at the end of the year will be either an overspend or underspend. Identification of "surplus" budgets (table A) has been a very delicate calculation to achieve the "balance" between the surpluses and deficits with very few budget areas showing a likely end of year surplus.

I am able to identify £9,947.00 budget heads which I consider will be overspent I have listed these below.

I would recommend that the Council re-allocates the predicted surplus budgets as identified in table (A) below to the items identified in table (B) where expenditure is expected to exceed budget.

**Table A - Predicted Surplus Budgets**

Communities	£ 5000.00	No events due to Covid-19
FDL Complex Cleaning	£ 1000.00	Reduced costs due to Covid-19
Public Toilet	£ 3947.00	Reduced costs due to Covid-19
	£	
	£	
	£	
	£	
Total	£ 9947.00	

**Table B - Predicted Overspends**

Western Road – Water Supply	£ 1547.00	Higher costs than budgeted
Covid-19	£ 5000.00	Unexpected expenditure
FDL Complex – Waste Disposal	£ 1000 .00	Higher costs due to excess charges
FDL Complex – Utilities/Rates	£ 2400.00	Incurring 4 Market square costs
	£	
Total	£ 9947.00	

### **Recommendation to Council**

To resolve to recommend that the predicted under spend identified within table A be re-allocated to offset the predicted deficits as identified in table B.

Michelle Foster  
Finance Officer

# Internal Audit 2020/21

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**1 SEPTEMBER 2020**

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Mulberry & Co  
Author: Your Name



**Mulberry & Co  
Accountants**

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## Introduction

We are writing to confirm your 2020/21 internal audit arrangements. Internal audit is an on-going function, undertaken regularly throughout the financial year, to test the continuing existence and adequacy of the authority's internal controls. It results in an annual assurance report to members designed to improve effectiveness and efficiency of the activities and operating procedures under the authority's control.

The interim audit(s) will generally focus on the governance and accountability functions of the council rather than the financial elements. The conclusion of this review is a report providing the council with recommendations where applicable for the improvement of internal processes and assurance that the councils systems are fit for purpose and the possibility of the systems being prone to error or misstatement are low.

At Mulberry & Co we recommend that councils have at least two internal audits per annum with one in the autumn and one after the council year end. In some cases, your council may well have additional interim audits where there are significant areas to focus upon.

## Location of Audit

Due to pandemic restrictions, this year's interim audit will be conducted remotely.

On site work can be requested – **please contact Nicky directly at [Nicky@mulberryandco.co.uk](mailto:Nicky@mulberryandco.co.uk) to advise us of this.**

The remote interim audit will be conducted over a period of time, starting with an initial review of information sent to us (See appendix 2, page 9). We respectfully request this information list to be provided to us by the **30<sup>th</sup> September 2020**. This can be emailed, or uploaded via your Openspace account.

## LAWS & REGULATIONS

Regulation 5 (1) of the Accounts and Audit Regulations 2015 imposes a duty on local councils to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance.' For parish and town councils, this guidance is set out in the NALC publication "Governance and Accountability for Smaller Authorities in England."

The purpose of internal audit is to review and report to the council whether its systems of financial and other internal controls over its activities and operating procedures are effective.

We will then contact the council to request further sample evidence based on the information sent to us, to support our findings.

The remote audits will then be finalised and a report issued to the council via the Openspace Server. We aim to complete this by the 30<sup>th</sup> November 2020.

If requested, we can book a time slot for the auditor to discuss the findings either over the phone or via video conference with the clerk and or council members.

Please note we will be working on a first come first served basis as we review the interim data. It is therefore important that we receive your data as soon as is convenient to enable us to plan in time for your report.

## TIMELINE

Local Authority sends us information (appendix 2 page 9)	Deadline 30 <sup>th</sup> September
Mulberry & Co Review information and request test samples	
Local Authority returns sample evidence to Mulberry & Co	
Mulberry & Co review sample data & prepare report	Deadline 30 <sup>th</sup> November
If requested Interim audit reports discussed at client meeting video conference (chair and clerks to be present)	

### Who is to carry out the work?

All audit work will be carried out by either Mark Mulberry or Andy Beams.

### How long will an audit take?

This is dependent on the scale and complexity of your councils accounts. We aim to conduct the majority of the work at the interim audit, so that at the year-end our work is focused on the annual governance & accountability return and the financials being presented to the external auditor. As a rule of thumb we generally allow three to four hours for an interim audit and two to three hours for a final audit. Appendix 1 details the testing we will carry out.

## Engagement Letter

Our engagement letters are issued electronically via our Openspace secure server. This letter sets out the basis of our professional engagement and is required under the ethical guidelines of The Association of Chartered Certified Accountants. The contents of the letter describe our respective responsibilities and key deadlines. Please contact us if the contents of this letter are not in accordance with your understanding of our terms of appointment or you do not have an engagement letter.

We will shortly be issuing engagements letters for the 2020/21 council year. You will receive an automatic notification of this from our Openspace server with a link attached. Please can I remind you to logon to your Openspace account to electronically sign your engagement letter.

**www.irisopenspace.co.uk.** By electronically signing the engagement letter, you are agreeing that we can start work immediately and that you agree with our terms. Please note we cannot start work until the engagement letter has been approved.

## Fees & Services

We base our charges on hourly rates which remain the same as the 2019/20 rate for the 2020/21 council year and £0.45p per mile for travel expenditure. All our fees are charges are subject to VAT at the prevailing rate.

## Your right to complain

If you feel unhappy at any time about the service that we provide to you or the amount that we charge, I hope that you will first raise your concerns with me. Whether or not you wish to do this, we operate a formal complaints procedure, which you have the right to use at any time.

If you require any further information, have any queries, please do not hesitate to contact us.

Kind regards

Mark Mulberry

## Appendix 1 - Audit Plan

Audit Area	Tests
Appropriate books of account have been kept properly throughout the year.	Review transactions in cashbook make verbal enquiries. Test arithmetic.
The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<p>Have FR &amp; Standing orders been reviewed and noted in minutes in last 12 months</p> <p>Select items from FR to test to physical documentation</p> <p>Review invoices and reconcile to cash book in detail</p> <p>Review selection of VAT entries</p> <p>Review minutes and payment list for authorisations</p> <p>Agendas and minutes properly prepared and published</p> <p>Council has acceptance of office and declarations of interest in place and signed</p> <p>Review council is following transparency regulations</p>
The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<p>Review and comment on risk assessments in place – ensure financial risk assessment considered</p> <p>Review of effectiveness of audit carried out</p> <p>Review and comment on council disaster recovery plans</p> <p>Review and comment on council's insurance</p>
The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<p>Review minutes for evidence of council discussion of the same</p> <p>Review and comment on actual versus budget information presented to council</p> <p>Review and comment on level of general and earmarked reserves</p>
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<p>Test precept application to precept receipts</p> <p>Test other income to annual charges (as approved by council)</p> <p>Test sample of VAT charged</p>

	Comment on any partial exemption issues
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<p>Test physical cash balances to accounting records</p> <p>Review items paid for by cash</p> <p>Enquire as to if cash received is banked entire or used for petty cash</p>
Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	<p>Test rates and hours are authorised</p> <p>Test net wages to payments due</p> <p>Ensure PAYE paid on time</p> <p>Council has pensions provision in place</p>
Asset and investments registers were complete and accurate and properly maintained.	<p>Assets shown at cost or proxy cost only</p> <p>Asset register sufficiently detailed</p> <p>Review insurance schedule and cashbook for missing items off the register</p>
Periodic and year-end bank account reconciliations were properly carried out.	<p>Test reconciliation in detail for all accounts</p> <p>Are reconciliations signed and presented to council</p> <p>Test loans to PWLB and or other documentation</p>
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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	<p>Review and comment on method of preparation</p> <p>Box 7 &amp; 8 reconciliation agrees if applicable</p> <p>Schedules of prepayments, accruals, debtors and creditors agree to final accounts</p> <p>Electors rights has correct date parameters</p>
Trust funds (including charitable) The council met its responsibilities as a trustee.	<p>Enquire as to if council is sole managing trustee and note details</p> <p>Ensure accounts do not contain trust income or expenditure</p>

## Appendix 2 – Information To Prepare For Audit

	Information Requirement	Tick when completed
Website Data (These items must be on your council website)		
1	Financial Regulations & Standing Orders	
2	Register of Members Interests	
3	Minutes and Agendas of all council meetings and committees	
4	Compliance with Transparency Act Regulations	
5	2020 Signed AGAR	
6	2020 Notice of electors rights	
7	2020 Notice of conclusion of audit	
Information to be sent to us		
1	Minute reference of review of financial regulations & Standing Orders	
2	Minute reference of review of risk assessments & risk management polices	
3	Minute reference of review of 2020 internal audit report	
4	Minute reference of review and acceptance of notice of conclusion of 2020 audit	
5	Minute reference of review of annual fees and charges	
6	Copy of cashbooks April to August 2020 (either send us excel spreadsheet or pdf print from your accounting package)	
7	If using electronic accounting package -Copy Nominal ledger print (All Cost centers/ All Account Codes months 1 year to date) in nominal account order	
8	Income versus budget 1 <sup>st</sup> five months of the year	
9	List of earmarked reserves	
10	Copy of last VAT return	
11	Copy of insurance certificate & schedule	
12	Copy of financial risk assessments	

13	Copy of draft 2021/22 budget (if applicable)	
14	Petty cash cashbook	
15	Payroll summaries & pay slips for 2 calendar months	
16	Copy of fixed asset register showing additions & deletions since 31-03-20	
17	Copy of bank reconciliations for 3 consecutive months, together with bank statement page showing reconciled balance	
18	Confirmation of charity numbers where council acts as sole managing trustee	
19	Copy of acceptance of office for last appointed councillor	

## Appendix 3 – Contact Us

- Email [Councils@mulberryandco.co.uk](mailto:Councils@mulberryandco.co.uk)
- Phone 01483 423 054
- Upload – <https://www.irisopenspace.co.uk/Account/LogOn>