

HAILSHAM TOWN COUNCIL

FINANCE, BUDGET, RESOURCES AND STAFFING COMMITTEE

AGENDA

NOTICE IS HEREBY GIVEN OF a meeting of the FINANCE, BUDGET AND RESOURCES COMMITTEE to be held at the Fleur De Lys Council Chambers/Meeting Rooms, Market Street, Hailsham, on

Wednesday 20th October 2021 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.

The order of formal business to be transacted will thereafter be as follows:

2. Apologies for Absence

To receive apologies for absence of appointed members.

3. Declarations of Interest

To receive notice of declarations of personal or prejudicial interests in respect of items on this agenda.

4. Minutes of previous Meeting

- 4.1 To note that the Minutes and Reports of the Meeting of the Finance, Budget, Resources and Staffing Committee (Ref:FBR/20/5/34-42) held on 21st July 2021 may be taken as read, confirmed as correct record, and signed by the Chairman.

5. Periodic Statements and Committee Expenditure

- 5.1 To resolve and adopt the financial reports as listed below:

a) Bank Reconciliation as at 30th September 2021 (copy attached) & Bank Statements and be signed off by one member of the FBR committee.

- b) Summary of net expenditure as at 30th September 2021 (copy attached)
- c) Summary of the Council's income and expenditure as at the 30th September 2021 compared against budgets (summary attached) including variance reports.
- d) List of uncleared cheques totaling £34,434.40 as at 30th September 2021. (copy attached), as shown on Bank reconciliation.
- e) List of payments previously certified by a member of the cheque signatory panel amounting to £78,288.82 for payments made during July 2021, £87,037.35 for payments made during August 2021 and £121,965.32 for payments made during September 2021 (In accordance with the Governance and Accountability for Local Councils Practitioners Guide)

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

To note 1 item of expenditure under Section 137 payments for the current quarter. Union Jack Flag - £73.44.

5.3 **Council CIL/Reserves Statement**

To note the Council CIL/Reserve Statement as at 30th September 2021

6 **Annual Review of Internal Control**

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

7 **Half Year Report**

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

8.0 **Internal Audit 2021-2022**

To note and adopt audit plan for the financial year ending 31st March 2022.

8.1 To note and agree the internal auditor's interim audit report of Monday 4th October 2021.

9 **External Audit – Notice of Completion of Audit**

To note the completion of external audit from PKF Littlejohn LLP as per section 3 of AGAR 31.3.2021 noting the following.

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR 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

10 **Council Bank Accounts**

To discuss and adopt the recommendation in the Finance Officer's report on the current banking and review possible changes.

11 **Review of the Councils Financial Regulations**

To review the current version of the Council's Financial Regulations as per Internal Audit requirement. No amendments as new model due with EU amendments.



JOHN HARRISON
Town Clerk

Committee Membership:














Councillors;

G. Blake-Coggins
N. Coltman
R. Grocock
K. Hinton
P. Holbrook
M. Laxton
T. Powis

Substitutes:

Councillor C. Bryant
Councillor D. Cottingham
Councillor B. Holbrook
Councillor K. Nicholls

[illegible]

Date	Description	Money out £	Money in £	Balance £
Balance brought forward from previous page				71,028.64
28 Sep	 Direct Credit From Sharyn Shoult Ref: Shoult SR		39.60	71,068.24
	 Direct Credit From Woolven Ronald Ref: Woolven br		39.60	71,107.84
	 Direct Credit From Roland Dunn CL Dep Ref: Cemetry Lodge		537.88	71,645.72
29 Sep	 Direct Debit to Allstar Ref: 311467	106.72		71,539.00
	 Cheque Issued Ref: 725183	10.00		71,529.00
	 Cheque Issued Ref: 725203	47.25		71,481.75
	 Cheque Issued Ref: 725242	50.00		71,431.75
	 Cheque Issued Ref: 725246	288.86		71,142.89
	 Cheque Issued Ref: 725248	54.73		71,088.16
	 Deposit at Barclays Post Office Credit Ref: 100308		2,176.10	73,264.26
	 Direct Credit From Keme KE T/As SW Ref: Kemer Kebab		2,625.00	75,889.26
30 Sep	 Direct Debit to Payflow /Apag Ref: BACS	1,454.23		74,435.03
	 Direct Credit From A Saunders Ref: Saunders br		23.10	74,458.13
30 Sep	Balance carried forward			74,458.13
Total Payments/Receipts		679,956.88	695,125.39	

Anything wrong? If you notice any incorrect or unusual transactions, see the next page for how to get in touch with us.

Bank of England Base Rate Information

Rate effective from 19 Mar 2020 was 0.100%

THE OFFICIALS
HAILSHAM TOWN COUNCIL
INGLENOOK
MARKET SQUARE
HAILSHAM
EAST SUSSEX
BN27 2AE



Your Business Premium Account

At a glance

01 - 30 Sep 2021

Date	Description	Money out £	Money in £	Balance £
1 Sep	Start Balance			11,591.10
6 Sep	% Interest Earned Gross For The Period 7 Jun - 5 Sep		0.29	11,591.39
30 Sep	Balance carried forward			11,591.39
	Total Payments/Receipts	0.00	0.29	

Start balance	£11,591.10
Money out	£0.00
Money in	£0.29
► Gross interest earned £0.29	
End balance	£11,591.39

Anything wrong? If you notice any incorrect or unusual transactions, see the next page for how to get in touch with us.

Your deposit is eligible for protection by the Financial Services Compensation Scheme.

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 BN27 2AE



Your Business Premium Account

At a glance

01 - 30 Sep 2021

Date	Description	Money out £	Money in £	Balance £
1 Sep	Start Balance			1,211,912.09
2 Sep	to Account 10331333 at 20-27-91 Transfer Internet Banking	20,000.00		1,191,912.09
6 Sep	% Interest Earned Gross For The Period 7 Jun - 5 Sep		33.55	1,191,945.64
17 Sep	to Account 10331333 at 20-27-91 Transfer Internet Banking	30,000.00		1,161,945.64
24 Sep	to Account 10331333 at 20-27-91 Transfer Internet Banking	55,000.00		1,106,945.64
27 Sep	From Account 10331333 at 20-27-91 Precept 1 Internet Banking		250,000.00	1,356,945.64
	From Account 10331333 at 20-27-91 Precept 2 Internet Banking		250,000.00	1,606,945.64
	From Account 10331333 at 20-27-91 Precept 3 Internet Banking		73,137.00	1,680,082.64
30 Sep	Balance carried forward			1,680,082.64
	Total Payments/Receipts	105,000.00	573,170.55	

Start balance	£1,211,912.09
Money out	£105,000.00
Money in	£573,170.55
► Gross interest earned	£33.55
End balance	£1,680,082.64

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 by the Financial Services
 Compensation Scheme.

Anything wrong? If you notice any incorrect or unusual transactions, see the next page for how to get in touch with us.

HAILSHAM TOWN COUNCIL - SUMMARY OF NET EXPENDITURE AS AT 30.09.2021

2021- 2022 Estimates											
BUDGET HEADINGS	Expenditure		Income		Nett total	Actual Spend	Actual Income		Total Spend	Funds Remain	% Spent
	A	B									
ALLOTMENTS	3002	3034			-32	2005	2586		-581	549	1816%
RECREATION	218082	53300			164782	123858	18962		104896	59886	64%
FINANCE, POLICY AND RESOURCES	954227	2200			952027	455916	7012		448904	503123	47%
BURIALS & PROPERTIES	36931	58400			-21469	18232	28458		-10226	-11243	48%
STREET LIGHTING & FURNITURE	51562	0			51562	1348	0		1348	50214	3%
Precept							573137				
Net VAT					-9368	43985	18842		25143	0	0%
TOTAL	1263804	0 0 116934			1137502	645345	648997		569485	602528	50%
NET EXPENDITURE					1146870	-3652					

HAILSHAM TOWN COUNCIL - INCOME AND EXPENDITURE AS AT 30.09.21

Item	1st April 2021 to 31st March 2022						
	Account	Annual	Budget	total	Actual Year	Funds	percentage
	Code	Budget	Adjustments	available	to date	Available	spent to date
Allotments - Water supply	101	1218		1218	913	305	75%
Allotments - Maintenance	101	98		98	14	84	14%
Allotments - Waste collection - C pond	101	1500		1950	821	1129	42%
Allotments - Software Licence	101	186		186	0	186	0%
Allotments - Returnable deposits	101	0	not available to s	4435	257	4178	6%
Total Expenditure - Allotments		3002	0	7887	2005	5882	25%
Income - Allotment Rent	101	3034		3034	2586	448	85%
Total Income - Allotments		3034	0	3034	2586	448	85%
Net expenditure over income		-32	0	4853	-581	5434	
West. Rd Rec - Maintenance	102	983		983	200	783	20%
West. Rd Rec - Water Supply	102	700	0	700	1019	-319	146%
West Rd Rec - Drainage	102	9500		9500	8000	1500	84%
Expenditure - Western Road Rec		11183	0	11183	9219	1964	82%
						0	
Income - Western Road Rec	102	1000		1000	30	970	3%
						0	
Net Expenditure over Income		10183	0	10183	9189	994	
MT - Annual Rent	102	1000		1000	1000	0	100%
MT - Maintenance	102	732		732	0	732	0%
MT - Water Supply	102	72		72	0	72	0%
MT - Pitch Marking Paint & Contractor to Mark	102	500	0	500	0	500	0%
MT - Skate Park Maintenance	102	515		1545	0	1545	0%
MT - Drainage	102	2000		4000	0	4000	0%
Expenditure - Maurice Thornton Playing Field		4819	0	7849	1000	6849	13%
Net Expenditure over Income		4819	0	7849	1000	6849	
Common Pond - Maintenance	102	721		1421	1080	341	76%
Net Expenditure over Income		721	0	1421	1080	341	
Play Areas							
Play Areas - Insurance	103	1450		1450	1450	0	100%
Play Areas - Maintenance	103	2311		6950	1428	5522	21%
Play Areas - New Equipment	103	0		1324	0	1324	0%
Expenditure - Play Areas		3761	0	9724	2878	6846	30%
Net Expenditure over Income		3761	0	9724	2878	6846	
HCP - Maintenance	104	492		492	0	492	0%
HCP - Pest Control	104	546		546	237	309	43%
Expenditure - Hailsham Country Park		1038	0	1038	237	801	23%
Income - Fishing Permits	104	700		700	726	-26	104%
Net Expenditure over Income		338	0	338	-489	827	
Public Opens Spaces							
Public Open Spaces - Maintenance	104	328		1573	0	1573	0%
Orchard Park Maintenance	104	765		765	0	765	0%
Plant & Skip Hire	104	4120		5196	2607	2589	50%
All Sites - Grass cutting	105	25750		25750	4522	21228	18%
All sites - Tree Works	105	18139	0	19805	8203	11603	41%
Dog Hygiene Bin Emptying	107	19700		21700	13306	8394	61%
Horticultural - Urban Grass Cutting	107	10916		10916	9262	1654	85%
Ersham Rd - Maintenance	102	55		55	0	55	0%
Staff Protective Clothing	304	300		300	179	121	60%
Tools & Equipment	304	1722		1833	546	1287	30%
COVID-19		0		5000	76	4924	2%
Maintenance Plan	104	40984		40984	4770	36214	12%

Expenditure - Public open spaces		122779	0	133877	43470	90407	32%
Net Expenditure over Income		122779	0	133877	43470	90407	
				1st April 2020 to 31st March 2021			
Item			Income				
			Budget & Adjustments	total available	total spent to date		percentage spent to date
		Budget					
FDL Office Complex							
Insurance	201	13000	0	14694	12558	2136	85%
Telephone	201	3000	0	3000	1102	1898	37%
Utilities/Rates		12712		12712	9869	2843	78%
Waste Disposal	201	2650		2650	2278	372	86%
Cleaning	201	4841		4841	1377	3464	28%
Maintenance		3215		10555	3006	7549	28%
Intruder Alarm/Fire Extinguisher		704		704	145	559	21%
Expenditure - FDL Office Complex		40122	0	49156	30336	18820	62%
Income - Rent		17000		17825	11475	6350	64%
Income - Room Hire		3000		3000	0	3000	0%
Income - Sundries		400		400	444	-44	111%
Income - FDL Office Complex		20400	0	20825	11919	9350	57%
Net Expenditure over Income		19722	0	28331	18417	9470	
Maurice Thornton Pavilion							
MT Pavilion - Utilities	202	1311		1311	267	1044	20%
MT Pavilion - General Repairs	202	515		1099	4985	-3886	454%
Expenditure - Maurice Thornton Pavilion		1826	0	2410	5252	-2842	218%
Income - Hire Fees		1200		1200	70	1130	6%
Net Expenditure over Income		626	0	1210	5182	-3972	
Grovelands Barn - Maintenance	202	258		258	0	258	0%
Grovelands Barn - Rates	202	3060		3060	2695	365	88%
Grovelands Barn - Utilities	202	515		515	156	359	30%
Expenditure - Grovelands Barn		3833	0	3833	2850	983	74%
Net Expenditure over Income		3833	0	3833	2850	983	
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	1700		1700	0	1700	0%
Utilities	202	6400		6889	6227	662	90%
Cleaning & Hygiene		3500		3500	2235	1265	64%
Alarm Maintenance	202	400		400	709	-309	177%
Expenditure - James West CH		12000	0	12489	9171	3318	73%
Income - Hire Fees		30000		30000	6217	23783	21%
Net Expenditure over Income		-18000	0	-17511	2954	-20465	
Expenditure - Public Toilet		202	15000	15000	6445	8555	43%
Net Expenditure over Income		15000	0	15000	6445	8555	
Cemetery Lodge - General repairs	203	437		6075	0	6075	0%
Expenditure - Cemetery Lodge		437	0	6075	0	6075	0%
Cemetery Lodge - Income rent		6900		6900	3570	3330	52%
Income - Cemetery Lodge		6900	0	6900	3570	3330	52%
Net Expenditure over Income		-6463	0	-825	-3570	2745	
Cemetery - General Maintenance	203	164		3164	302	2862	10%
Cemetery - Service costs	205	6116		6116	5279	837	86%

Cemetery - Consumables	205	2022		2693	655	2038	24%
Cemetery - Pest Control	205	300		300	0	300	0%
Cemetery - Burial Software Licence	205	339		339	0	339	0%
Cemetery - Extinguisher service	205	124		124	0	124	0%
Cemetery - Grave digging	205	14853		14853	5370	9483	36%
Cemetery - Flowers & Mem trees	205	546		546	70	476	13%
Cemetery - Grass & hedge cutting	205	12030		12030	6556	5474	54%
Expenditure - Cemetery		36494	0	40165	18232	21933	45%
Cemetery Income - Burial Fees		51500		51500	24888	26612	48%
Net Expenditure over Income		-15006	0	-11335	-6656	-4679	
Street Lighting Energy	209	13659		13659	0	13659	0%
Street Lighting Maintenance	209	19097		31569	0	31569	0%
Street Lighting - SOX replacement	209	17297		31141	0	31141	0%
Street Furniture	210	1509		1991	1348	643	68%
Dog bins	210	0		2369	0	2369	0%
Expenditure - Street Lighting and Furniture		51562	0	80729	1348	79381	2%
Net Expenditure over Income		51562	0	80729	1348	79381	
1st April 2020 to 31st March 2021							
Item		Budget	Income Budget & Adjustments	total available	total spent to date		percentage spent to date
All staff costs	301	732080		775620	321706	453914	41%
Members Allowances	301	21600		21600	10642	10958	49%
Chairmans Allowance	303	1500		1817	84	1733	5%
Office Equipment	302	2369		2369	716	1653	14%
Election Costs	302	0		26761	0	26761	0%
Newsletter production costs & three deliveries	302	5000		5000	2900	2100	58%
Annual Town meeting	302	600		600	0	600	0%
Advertising & Publicity	302	515		515	0	515	0%
Council Website	302	3182		3182	2588	594	81%
Postage	302	1648		1648	400	1248	24%
Audit fees	302	2950		2950	2165	785	73%
Staff training & travel	302	3090		3090	388	2702	13%
Photocopier	302	3708		3708	854	2854	23%
IT software	302	1697		1697	765	932	45%
Subscriptions & Publications	302	4031		4031	3867	164	96%
Professional fees	302	3713		3713	3170	543	85%
Stationery & Consumables	302	4000		4000	967	3033	24%
Staff Review	302	0		5000	0	5000	0%
Room Hire Expenses - Non projects	302	600	0	600	97	503	16%
Bank Charges	313	637		637	232	405	36%
CCTV Running costs	311	7957		7957	2590	5367	33%
War Memorial - All Service costs	310	361		361	222	139	61%
Neighbourhood Plan	302	0		5230	0	5230	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		328		328	0	328	0%
Expenditure - Administration		802224	0	883868	354353	529515	40%
Income - Accounts interest	313	1200		1200	70	1130	6%
Income - CIL	313						
Other Income	313						
Precept							
Income - Administration		1200	0	1200	70	1130	6%
Net Expenditure over Income		801024	0	882668	354283	528385	
Vehicles							
Vehicle - All Costs	305	21000	0	22720	10925		48%
Net expenditure over Income		21000	0	22720	10925		
Tourism							
Tourism (miscellaneous/Event Marketing)	308	765		765	330	435	43%
Communities	308	15914		23308	10419	12889	45%
Bus Alliance	308	1000		1000	0	1000	0%
Festive Lighting	209	10000		10000	5895	4105	59%

<u>Expenditure - Tourism</u>		<u>27679</u>	<u>0</u>	<u>35073</u>	<u>16644</u>	<u>18429</u>	<u>47%</u>
Income - Festive Lighting	209	0		0	0	0	0%
Income - Street market pitch fees					113	-113	0%
Income - Bus Alliance Recharge					0	0	0%
<u>Income - Tourism</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>113</u>	<u>-113</u>	<u>0%</u>
Net Expenditure over Income		27679	0	35073	16531	18542	
<u>Youth Service</u>							
Insurance	309	0		491	491	0	0%
Utilities		7890		13399	7297	6102	54%
Advertising		0		0	290	-290	0%
Waste Disposal		0		0	0	0	0%
Hygiene Supplies		500		500	106	394	21%
Maintenance		3000		3000	224	2776	7%
Safe Hub/Hellingly		600		600	1207	-607	201%
FNP		2000		7974	650	7324	8%
Café		1810		1810	9846	-8036	544%
Minibus		1400		1400	223	1177	16%
Alarm Maintenance		800		800	384	416	48%
<u>Expenditure - Youth Service</u>		<u>18000</u>	<u>0</u>	<u>29974</u>	<u>20718</u>	<u>9256</u>	<u>69%</u>
<u>Income - Youth Café</u>	<u>309</u>	<u>1000</u>		<u>1000</u>	<u>3605</u>	<u>-2605</u>	<u>361%</u>
Net Expenditure over Income		17000	0	28974	17113	11861	
<u>Grants</u>							
Annual Grants	307	5801		5801	0	5801	0%
Covid-19 Emergency Grants				5315	0	5315	0%
Section 137 - Miscellaneous	307	400		400	73	327	18%
<u>Net Expenditure</u>		<u>6201</u>	<u>0</u>	<u>11516</u>	<u>73</u>	<u>11443</u>	<u>1%</u>
Net Expenditure over Income		6201	0	11516	73	11443	
<u>Special Projects</u>							
Criminal Damage	309			1056	0	1056	0%
Churchyard CCTV Service Contract	310	309		309	0	309	0%
Post Office Operation costs		20000		60833	30267	30566	50%
Hailsham Revitalization fund	311	5150		26803	0	26803	0%
Maintenance Cortlandt Stable block	310	17854		24196	7208	16988	30%
Hellingly Parish Subsidy	311	27810	0	27180	13439	13741	49%
Bus Concessions	309	8000		14262	2288	11974	16%
MT Hut	309				0		
<u>Net Expenditure - Special Projects</u>		<u>79123</u>	<u>0</u>	<u>154639</u>	<u>53202</u>	<u>101437</u>	<u>34%</u>
<u>Special Projects</u>							
<u>Cortlandt - Rent income/Rate Refund</u>		<u>0</u>		<u>0</u>	<u>3224</u>	<u>3224</u>	<u>0%</u>
Net Expenditure over Income		79123	0	154639	49978	98213	

Report to: Finance, Budget, Resource and Staffing Committee

Date: 21st July 2021

By: Michelle Foster – Finance Officer

Title of report: Variance Explanation Qtr. 1 – 30.6.2021

PURPOSE:

To provide the committee with explanation on variances of the Income and Expenditure reports for Qtr. 1 to 30.6.2021

BACKGROUND:

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

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.

I have attached the profiling document, which should help explain certain variances during the year.

Due to Covid-19 – All our hire income is still below budget as facilities have only been open for a month.

Other variances are detailed below.

Western Road – 275% of budget –payment made to Active Play scheme contra income pending.

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

Urban Grass Cutting – 85% - Paid in full in first quarter.

FDL complex income sundries – 111% - income higher as received rate refund from WDC.

Cemetery Service Costs – 78% - Rates were higher than budget by £470.00.

Subscriptions/Memberships – 77% - Most of the expenditure is incurred in the first quarter of the financial year.

Professional Fees – 104% - Professional fees needs to be investigated and addressed at the half year point.

Council Website – 41% - Domain and hosting costs paid in the first quarter.

Bank Account Interest -135% 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 – 47% of budget over all – Full year of rates paid in April 2021, funding applications pending.

The first quarter is never a true picture of the variances due to large amounts going out in this quarter, from quarter 2 provides a fairer view.

CONSIDERATION:

To note the variances explanations provided by the Finance Officer on the Income and Expenditure report for Qtr. 1 to 30.6.2021.

Report to: Finance, Budget, and Resource Committee

Date: 20th October 2021

By: Michelle Foster – Finance Officer

Title of report: Variance Explanation Qtr. 2 – 30.9.2021

PURPOSE:

To provide the committee with explanation on variances of the Income and Expenditure reports for Qtr. 2 to 30.9.2021

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 – 146%

Professional Fees – 302 - 85%

Other variances are detailed below.

Allotment Water Supply – 101 - 75% of budget – Higher than predicted but should reduce now due to winter.

Common Pond – 102 Maintenance – 76% - Expenditure on drainage survey

Maurice Thornton Pavilion – 202 General Repairs – 454% of Budget – Increase costs on materials during the job due to economic increase of costs of goods at the current time in the UK.

James West Community Hall – 202 Alarm Maintenance – 177% - Higher then budgeted costs due to new exit light box, additional repair and panel upgrade.

Rents and Hire income has increase over the 2nd quarter as the services have reopened and users are returning to book the James West Community Hall.

Youth Café have now reopened more services, FNP etc is now up and running and additional

income is now forthcoming, which offsets the initial expenditure. This should continue covid-19 situation for autumn and winter depending.

Allotment rents continue to come in 85% received at 30.9.2021, by the end of the next Quarter all rents should be received and in line with budget.

CONSIDERATION:

To note the variances explanations provided by the Finance Officer on the Income and Expenditure report for Qtr. 2 to 30.9.2021.

PAYMENT SCHEDULE FOR AUGUST 2021

87,037.35

Date	Supplier	Cheque Amount No. (incl VAT)	
2nd	HMRC	25179	12579.77 HMRC PAYE
	East Sussex Pension Fund	25180	8434.23 Pensions Fund
3rd	Ruskins consultancy	25181	180.00 Tree consultation
	EON	25182	863.34 Electric and Gas - All sites
	Hailsham Chamber of Commerce	25183	10.00 Chairman Breakfast
	Wightman and Parrish	25184	85.72 Hygiene Suppliers
6th	Evoulton	25185	132.00 J West water treatment
	Countrywide Ground Maintenance	25186	1537.50 Cemetery Grass cutting
	Fieldskill Ltd	25187	347.12 Stationary
11th	Mr T Hall	25188	54.99 Eye test
12th	Mr A Reed	25189	910.00 Grave Digging
	Town & Country Tree Services	25190	300.00 Tree work
13th	The Allotment Society	25191	50.00 Allotment Refund
	The Allotment Society	25192	7.00 Allotment Refund
16th	H Deane	25193	88.75 Youth Café expenses
	Safety Net	25194	67.00 DBS for Youth Service
	Adrians Cleaning Services Ltd	25195	445.50 Cleaning of FDL/J West
	Npower	25196	354.43 J West
	Uniserve SE Ltd	25197	368.88 Office 365
	Business Waste	25198	3712.72 Waste Collection
	EON	25199	261.83 Electric and Gas - All sites
20th	Wicksteed Leisure	25200	179.75 Play equipment parts
	Aquarius Solution	25201	228.00 Bus Shelter graffiti removal
	Bloomfields	25202	70.00 Chapel Flowers
	Union Corner hall	25203	47.25 Professional Fee
	A Joyes	25204	53.39 Youth service expenses
	Home Leisure	25205	2047.75 Pool Table and trolleys
	Kcom	25206	49.20 Computer Software
	Accurate Roofing	25207	10080.00 MT Pavilion Roof
	Initial Washroom	25208	309.25 Hygiene Suppliers
	Martello Plant hire	25209	176.64 Plant Hire
	Tech tactics	25210	593.22 Youth Services computer software
25th	Wages and Salaries	BACS	38323.88 Wages and Salaries
26th	Staff	25211	135.01 Wages and Salaries
	Business Stream	25212	354.87 Water supply
27th	J & C Coaching Sussex	25213	50.00 Hall deposit refund
	Cancelled	25214	0.00 Cancelled
2nd	SOS Systems Ltd	DD	61.00 Photocopier Contract
	Wealden District Council	DD	1209.00 Rates
	Lex Autolease	DD	1264.56 Vehicle Leasing Contract
4th	Allstar	DD	54.98 Vehicle Fuel
	Bank Charges		41.00 Bank Charges
11th	Allstar	DD	205.38 Vehicle Fuel
	Roland Dunn	DD	57.12 Professional Fee
	Quadient UK Ltd	DD	100.00 Franking machine postage
31st	Cancelled cheque 2020-2021 24797	24797	-438.24 Cancelled
	Fuzion 4 Ltd	DD	149.13 Alarm Maintenance
18th	Allstar	DD	41.88 Vehicle Fuel
20th	Vostel Ltd	DD	462.99 Telephone contract
23rd	Siemens Financial Services	DD	163.30 Vending machine lease
27th	RPM Body Shop	DC	150.00 Youth Service minibus repair
	DVLA	DC	151.25 Market Minibus
	Cancelled cheque 25157	25157	-124.99 Cancelled

87,037.35

PAYMENT SCHEDULE FOR JULY 2021

78,288.82

Date	Supplier	Cheque Amount No. (incl VAT)	
6th	The Broker Network Ltd	25132	491.00 Minibus Insurance - Youth Service
	Lee Ryman	25133	75.00
	Hailsham Town Council CIC	25134	10000.00 Post Office Support
7th	H Deane	25135	107.86 Youth Service - Expenses
	Zurich Municipal	25136	450.81 Additional insurance
	Allotment Refund	25137	50.00 Allotment Refund
	Cancelled	25138	0.00 Cancelled
9th	Bonfire Society - reissue 24981	25139	0.00 Chairman Donation
	Eden Springs	25140	45.36 Water Machine - FDL
13th	Hampshire Flag company	25141	88.13 New union jack flag
	Npower	25142	33.44 Electric - War Memorial
	A Reed	25143	910.00 Grave Digging
	Initial Washroom	25144	309.25 Hygiene Suppliers
	Uniserve SE	25145	256.08 Office 365
	Safety Net	25146	67.00 DBS for Youth Service
	Macey Industrial Fixings	25147	14.28 Stock
	D Sankey Ltd	25148	142.20 Country Park Vermin control
	Mr K Smith (KBS Inflatables)	25149	600.00 Youth Services
	Cuckmere Buses	25150	1240.80 Bus Concession
	Business Waste	25151	2627.62 Waste Collection contract
19th	Curtis and Shaw	25152	127.06 Fuel for plant
	EON reissue cheq 25103	25153	0.00 Reissue
	Eye Media Group Ltd	25154	550.00 Advertising - update of council services
	Npower	25155	218.24 J West -
	Adrian Cleaning Services Ltd	25156	305.50 Cleaning of FDL/J West
	Tech Tactics	25157	124.99 Youth Service - Computer software
	H Deane	25158	496.64 Youth Services - Expenses
	4imprint direct limited	25159	773.22 Youth Services
	Npower	25160	32.36 Electric - War Memorial
	Uniserve SE	25161	1300.58 Computer services - old invoices included
	Martello Plant hire ltd	25162	1367.28 Plant Hire
	Festive Illumination	25163	6753.00 1st Payment for Christmas Lighting
	Pagoda Security	25164	1514.40 Hailsham Live - Security
	Agrifactors Ltd	25165	600.00 Drainage work - Beaconfield
23rd	Wages and Salaries	BACS	37116.85 Wages and Salaries
	Eye Media Group Ltd - reissue 25109	25166	0.00 Reissue
27th	East Sussex County Council	25167	2398.29 Refund of funding
	KCom	25168	241.20 Hosting
	J Harrison - fan	25169	35.94 Office equipment
	S Spence	25170	840.00 Public Toilet Cleaning
29th	Wages and Salaries	25171	168.64 Wages and Salaries
	Wages and Salaries	25172	271.08 Wages and Salaries
	Trade UK - Screwfix	25173	19.99 Stock
	MFC Outdoor Stores Ltd	25174	111.96 Outdoor workwear
	Macey Industrial Fixing Ltd	25175	247.18 Stock
	Uniserve SE - reissue 25145	25176	0.00 Reissue
30th	Cemetery	25177	176.00 Burial Fee refund
	G.M Monk Ltd	25178	1101.60 4 Market Square repairs
1st	CF Corporate Finance	DD	374.40 Photocopier Contract
	Wealden District Council	DD	1209.00 Rates
	Lex Autolease	DD	1264.56 Vehicle Leasing Contract
2nd	SOS Systems	DD	60.81 Photocopier Contract
5th	Bank Charges	DD	37.57 Bank Charges
	Wealden District Council	DC	50.00 Hall Hire Deposit
15th	Fuzion4Ltd	DD	149.13 Alarm Maintenance Contract
20th	Vostel Ltd	DD	470.06 Telephone Contract
21st	Allstar	DD	161.34 Vehicle Fuel
30th	Lex Autolease	DD	54.00 Vehicle Leasing Contract
	Roland Dunn	DD	57.12 Professional Fee

78,288.82

PAYMENT SCHEDULE FOR SEPTEMBER 2021

121,965.32

Date	Supplier	Cheque No. (incl VAT)	Amount	Description
1st	S Spence	25215	840.00	Public Toilet Cleaning Contract
	Fuzion4 Ltd	25216	471.60	Alarm Repair - James West
	Wolseley	25217	91.85	Cemetery Maintenance
2nd	Countrywide Ground Maintenance	25218	1537.50	Cemetery Grass cutting
	Evolution	25219	132.00	James West Water treatment
	Accurate Roofing	25220	15348.00	Maurice Thornton Pavilion - Roof Repair
	HMRC	25221	13012.53	HMRC PAYE
	East Sussex Pensions fund	25222	8694.00	Pension Fund
	Newton & Frost Fencing Ltd	25223	99.98	Fencing - Cemetery
	PKF Littlejohn LLP	25224	2400.00	External Audit Fee
3rd	Town & Country Tree Services - Cem	25225	540.00	Tree work - Cemetery
	Fieldskill	25226	54.77	Stationary
	Wightman & Parrish Ltd	25227	145.68	Hygiene Suppliers
7th	Refund of incorrect payment	25228	240.00	Refund
	Colliers International	25229	4260.00	2 North St - Rent and Service charge
	Uniserve SE Ltd	25230	292.08	Office 365
	Petty cash	25231	81.05	Petty Cash
14th	A Reed	25232	480.00	Grave Digging
	Town & Country Tree Services - W Rd	25233	5724.00	Tree Work - Western Road Recreation Ground
	CS Drainage	25234	1296.00	Common Pond - Investigation
	Cancelled	25235	0.00	Cancelled
16th	Cancelled	25236	0.00	Cancelled
	Fibre Management Ltd	25237	354.00	Maurice Thornton Pavilion - Roof Repair
	Cancelled	25238	0.00	Cancelled
	Eden Springs	25239	46.75	Water Machine - FDL
	ESALC	25240	48.00	Training
	Business Waste	25241	2600.93	Waste Collection
	Allotment Refund	25242	50.00	Allotment Refund
	Earth Anchor	25243	708.52	Memorial Bench
	Npower	25244	348.45	James West
	Mr R Gillett	25245	19.99	Damp Detector
	EDF Energy	25246	288.86	Youth Services - Gas/Electric
20th	Mr A Joyes	25247	213.61	Wages and Salaries
	Howdens	25248	54.73	Youth Services - Fire Door
	Business Stream	25249	72.52	Water supply
	Mr R Gillett	25250	16.69	Signage
22nd	Screwfix	DC	10.47	Cemetery Maintenance
	Wolseley to reissue cheque 25217	DC	0.00	Reissue
24th	Wages and salaries	BACS	39391.11	Wages and Salaries
	Adrians cleaning services Ltd	25251	415.50	Cleaning FDL/J West
	Eye Media Group Ltd	25252	550.00	Advertising - council services/events
	S Spence	25253	840.00	Public Toilet Cleaning Contract
	MAD Distribution	25254	600.00	Newsletter distribution
	Mr K Smith - KBS	25255	350.00	Inflatable hire for youth services
	Giles (plumber) Ltd	25256	123.60	Youth Café repairs
28th	K Giddings	25257	14.00	Allotment Keys
	Fieldskill	25258	237.60	Chair for reception
1st	Besthost	DC	180.00	Domain
16th	The Edge Systems	DC	19.26	Staff photo card
28th	Hall Hire refund	25259	50.00	Hall hire deposit refund
30th	Hailsham Town Council CIC	25260	10000.00	Post Office
	Wightman & Parrish Ltd	25261	82.34	Hygiene Suppliers
	Uniserve SE Ltd	25262	651.60	Laptop for the Youth service
	The Police & Crime Commissioner of S	25263	2,590.20	CCTV Transmission/Maintenance Qtr 1 & Qtr 2
	Fuzion4 Ltd	25264	148.50	Alarm Repair - James West
	OGD	25265	192.00	Electronic yard gates - Service
	Castlewater	25266	1,737.82	Water all sites
1st	Wealden District Council	DD	1,209.00	Rates
	Lex Autolease	DD	1,264.56	Vehicle Fleet leasing
3rd	SOS Systems	DD	48.48	Photocopier printing
7th	Bank Charge	DD	43.34	Bank Charge
8th	Allstar	DD	61.20	Vehicle Fleet fuel
10th	Qudient UK Ltd	DD	100.00	Franking machine - Postage
15th	Fuzion4 Ltd	DD	149.13	Alarm Maintenance
	Allstar	DD	66.85	Vehicle Fleet fuel
20th	Vostel	DD	458.65	Telephone Contract
28th	Roland Dunn	DD	57.12	Professional Fee
22nd	Allstar	DD	41.88	Vehicle Fleet fuel
29th	Allstar	DD	106.72	Vehicle Fleet fuel
			122,355.02	
30th	Cancelled cheque 24984	24984	-100.00	
	Cancelled cheque 24991	24991	-100.00	
	Cancelled cheque 24942	24942	-39.96	
	Cancelled cheque 24919	24919	-150.00	
	VAT correction -	24967	0.26	
			121,965.32	

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 repayments
	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	264,268.07	39,450.00		
Apr-20	CIL												115311.61				
ongoing	25% of CIL for Major infrastructure(£568,968.80)												-142242.2				
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 (htc/20/3/140)										-10000						
	Maurice Thornton Pavilion Roof (htc/20/03/142)(£23000) see below																
	Western Road Pathway Lighting (htc/20/40/143)												-23850				
Oct-20	Western Rd - Running Track 50% payment (htc/20/4/222)													-69511			
Oct-20	James West CCTV (htc/20/3/172)									-7670							
Nov-20	CIL												8512.97				
				0	0	0	0	0	0	25,185.00	13790.28	6000	276,876.60	126,757.07	39450.00		
Jan-21	Wetpour - play areas FBR/20/5/42																
Mar-21	AMC/20/13/189 Street lighting Repairs									-6000		6000	-42605				
Jul-21	Cemetery Pathways												-40000				
Jul-21	Western Rd Play area (htc/18/4/206.2)													-125000			
Jul-21	Maurice Thornton Pavilion Roof (£23000)													-6500			
Aug-21	Maurice Thornton Pavilion Roof (£23000) Balance												-16500				
Jul-21	Staff Independent Facilitator (htc/21/01/144)														-4000		
				-	-	-	-	-	-	19,185.00	13,790.28	12,000.00	171,271.60	1,757.07	35,450.00		

Report to the FBR Committee in respect of Budget Variations 2021/22

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 £7,500.00 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	£ 2,900.00	Reduced Events due to Covid-19
Urban Grass Cutting	£ 600.00	Cost lower than budgeted.
Contract Cleaning – FDL	£1,000.00	Underspent due to Covid-19
Stationary	£1,000.00	Underspent
Safety Gates	£2,000.00	Inhouse
	£	
	£	
Total	£7,500.00	

Table B - Predicted Overspends

Professional Fees	£2,000.00	Higher than Budgeted
Festive Lighting	£2,900.00	Additional Costs for repairs
Western Rd – Water Supply	£ 600.00	Higher cost than expected
Tree Budget	£2,000.00	Winter Tree planting
	£	
Total	£7,500.00	

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

2021/22

17 AUGUST 2021

Mulberry & Co

Author: Mark Mulberry



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Introduction

We are writing to confirm your 2021/22 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 (interim) 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

With the easing of pandemic restrictions, this year's interim audit is planned to be conducted onsite, although we can offer a remote audit if preferred.

In the accompanying email, we have asked you to state your preferred dates and times for your audit. Please make it clear in your response advising of your availability whether you are requesting an **onsite** or **remote audit**.

Please note that bookings are available on a first come first served basis, and we will try to accommodate all reasonable requests for specific dates and times.

LAWS AND 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.

Onsite audits

Your auditor will attend on site at the agreed date and time. Please ensure you have access to the information listed (appendix 2, page 9) for the visit. If all information is available, we will aim to complete our report within 48 hours of the visit.

Remote audits

If you request a remote audit, this will be conducted over a period of time, starting with an initial review of information sent to us (appendix 2, page 9). We respectfully request this information to be provided to us **at least one week in advance of your booked date and time**. This can be emailed or uploaded via your Openspace account.

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

The booked date and time for your remote audit will allow your auditor to contact you to discuss the findings either over the phone or via video conference. **Please ensure you provide the correct contact telephone number or video conference link when you book your date and time.**

The remote audit report will then be finalised, pending receipt of any additional information requested, issued to the council via the Openspace Server.

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 council's 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 and Accountability Return (AGAR) and the information being presented to the external auditor. As a guide, 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 2021/22 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 by going to **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 and services

We base our charges on hourly rates which remain the same as the 2020/21 rate for the 2021/22 council year and £0.45p per mile for travel expenditure. All our fees and 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, or 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>Financial Regulations (FR) and Standing Orders (SO) 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 authorisation</p> <p>Agendas and minutes properly prepared and published</p> <p>Council has Acceptance of Office and Register of Members' Interests 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>

	Review and comment on council's insurance
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> <p>Comment on any partial exemption issues</p>
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>

	Council has pensions provision in place
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 and 8 reconciliation agrees if applicable</p> <p>Schedules of prepayments, accruals, debtors and creditors agree to final accounts</p> <p>Elector's 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 and Standing Orders	
2	Register of Members' Interests	
3	Minutes and agendas of all council meetings and committees	
4	Compliance with Transparency Act Regulations	
5	2020/21 signed AGAR	
6	2020/21 Notice of Elector's Rights	
7	2020/21 Notice of conclusion of audit	
Information to be available during the visit (onsite) <u>or</u> sent to us one week in advance of the booked date and time (remote)		
1	Minute reference of review of Financial Regulations and Standing Orders	
2	Minute reference of review of risk assessments and risk management policies	
3	Minute reference of review of 2020/21 internal audit report	
4	Minute reference of review and acceptance of notice of conclusion of 2020/21 audit	
5	Minute reference of review of annual fees and charges	
6	Copy of cashbooks April to August 2021 (either excel spreadsheet or pdf print from your accounting package)	
7	If using electronic accounting package - Copy of nominal ledger print (All cost centres / account codes year to date) in nominal account order	
8	Income versus budget year to date	
9	List of earmarked reserves	
10	Copy of last VAT return	
11	Copy of insurance certificate and schedule	
12	Copy of financial risk assessments	
13	Copy of draft 2022/23 budget (if applicable)	
14	Petty cash cashbook	

15	Payroll summaries and pay slips for two calendar months	
16	Copy of fixed asset register showing additions and deletions since 31-03-21	
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
- Phone 01483 423 054
- Upload – <https://www.irisopenspace.co.uk/Account/LogOn>



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Our Ref: MARK/HAI001

Mrs M Foster
Hailsham Town Council
The Inglenook
Market Street
Hailsham
East Sussex
BN27 2AE

4 October 2021

Dear Michelle

Re: Hailsham Town Council
Internal Audit Year Ended 31 March 2022

Executive summary

Following completion of our interim internal audit on 4 October 2021 we enclose our report for your kind attention and presentation to the council. The audit was conducted remotely in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. **Testing requirements are shown in red** and where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified, followed by recommended minimum testing requirements. Each section is then concluded with an opinion as to whether the assertion has been met or not.

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures very seriously and I am pleased to report that overall, the systems and procedures you have in place are fit for purpose and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well-ordered system.

It is therefore our opinion that the systems and internal procedures at Hailsham Town Council are well established and followed.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit's function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily. The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority's approval of the annual governance statement.

Independence and competence

Your audit was conducted by Andy Beams of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor has over 30 years' experience in the financial sector with the last 11 years specialising in local government.

Engagement Letter

An engagement letter was issued to the council covering the 2021/22 internal audit assignment. Copies of this document are available on request.

Planning and inherent risk assessment

The scope and plan of works including fee structure was issued to the council under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

- There have been no instances of breaches of regulations in the past
- The client uses an industry approved financial reporting package
- The client regularly carries out reconciliations and documents these
- There is regular reporting to council
- The management team are experienced and informed
- Records are neatly maintained and referenced
- The client is aware of current regulations and practices
- There has been no instance of high staff turnover

At the interim audit date, it is my opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be "walk through testing" on sample data to encompass the period of the council year under review. A final audit will be conducted after the year-end of 31 March 2022.

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A. BOOKS OF ACCOUNT (INTERIM AUDIT)**Internal audit requirement**

Appropriate accounting records have been properly kept throughout the financial year.

Recommended minimum testing:

- Ensure the correct roll forward of the prior year cashbook balances to the new financial year
- Check a sample of financial transactions in cashbooks to bank statements, etc.: the sample size dependent on the size of the authority and nature of accounting records maintained

Interim audit

The council continues to use Excel for the recording of its financial records. The council has acquired the RBS accounting system and had begun using it although the pandemic and working from home restrictions have made its use impractical. The Excel records are detailed and provide the required information for the day-to-day running of the council and reporting information for councillors.

The interim audit was conducted remotely, and the RFO was able to provide all the requested information in full. My audit testing showed that these documents were well organised, clear and easy to follow. Where information was reviewed via the council website, I found this to be logically located and easy to find.

Meeting agendas are well structured and show sufficient information is provided at meetings to support council decisions. Minutes are also well structured and show clear resolutions being made by committee and council. I make no recommendation to change this system.

The council has a published strategic plan on its website for the period 2018 – 2022. This outlines the council's vision, objectives and key priorities for the period, and includes a five-year budget plan.

The council is VAT registered and completes reclaims on a quarterly basis. The VAT reclaim provided for the interim audit was for the period 1 April to 30 June 2021 inclusive and showed a refund position of £43,882.34. The council is up to date with its postings.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change.

Section conclusion

I am of the opinion that the control assertion of "Appropriate accounting records have been properly kept throughout the financial year" has been met.

B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS (INTERIM AND FINAL AUDIT)**Internal audit requirement**

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Recommended minimum testing:

- Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the Standing Orders and Financial Regulations which should be based on the latest version.
- Ensure that consistent values are in place for the acquisition of formal tenders between Standing Orders and Financial Regulations (frequently different limits are recorded in the two documents)
- Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation
- Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments

- Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements
- Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place

Interim audit

Check the publication and minuting of the prior year audited AGAR and notice of conclusion of audit.

The notice of conclusion of audit was published on the council website on 2 September 2021 and was not qualified. This will be reported to the next council meeting in October 2021.

There is evidence within the minutes of the Annual Council meeting held on 27 May 2021 that the Governance Statement (minute ref 117) and Accounting Statement (minute ref 119) for 2020/21 were approved. The internal audit report was also noted (minute ref 118).

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. The council website provides a list of councillors, and there are details of the Disclosable Pecuniary Interests alongside a short biography of each Member.

Confirm that the council is compliant with the relevant transparency code

A review of the council website shows that the council is following the Local Government Transparency Code. A separate tab on the website contains details of all the requirements, and the information published by the council. A review shows that the expenditure information is complete up to the end of June (as per the requirements of publishing by the end of the following quarter) and the published pay multiple figure is for April 2021. It is clear the council takes transparency seriously and has provided information in a clear and easy to follow way for its residents.

Confirm that the council is compliant with GDPR

The council is fully aware of GDPR and has undergone training. It was noted the council has established common email addresses for all councillors. This is recommended because it gives a natural segregation between work and personal lives, making it clear beyond doubt in what capacity a councillor is acting. In addition to this it gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

The council has a Privacy Notice and Accessibility Statement on the home page of its website. It is clear the council takes its responsibilities seriously and has made every effort to comply with the legislation.

Confirm that the council meets regularly throughout the year

In addition to full council, the council has a committee structure in place with standing committees for Planning and Development; Finance, Budget, Resources and Staffing; Assets Management; Communities; Neighbourhood Plan; and Strategy. The council has also established working groups for advisory purposes. A meeting diary is available on the council website, and terms of reference in place for each committee, sub-committee and working group were re-adopted at the Annual Meeting in May 2021 (minute ref 110). These are all published on the council website.

Check that agendas for meetings are published giving 3 clear days' notice.

The Clerk was able to demonstrate that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting. It was noted that supporting documentation for agendas is also published on the council website.

Check the draft minutes of the last meeting(s) are on the council's website

Draft minutes are routinely uploaded to the council website and clearly marked as unadopted. These are subsequently replaced with final versions once approved.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months.

The standing orders are based on the latest NALC model. The version on the council website shows that were last reviewed and adopted at the council meeting in September 2020. They were scheduled for review again at the meeting in September 2021, however the meeting was cancelled and are now due for review at the October council meeting.

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.

Financial regulations are based on the latest NALC model. The version on the council website shows that were last reviewed and adopted at the council meeting in September 2020. These are scheduled to be reviewed pending receipt of the updated NALC model to include the EU changes. Although the RFO has confirmed that the council will readopt the current version pending that change. The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

Check that the council's Financial Regulations are being routinely followed.

I reviewed the agendas, reports and minutes of the Finance, Budget, Resources and Staffing Committee and Council meetings, and it is clear the council is following its own regulations. Regular financial monitoring takes place, is reported to the committee and the minutes confirm discussion and approval of figures.

The Clerk has delegated authority to approve expenditure on revenue items up to the amounts included for that class of expenditure in the approved budget (FR 4.1) and also has authority in the event of extreme risk to the delivery of council services to authorise expenditure subject to a limit of £2,500 whether or not there is budgetary provision (FR 4.5).

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £8.41 per elector.

The council has adopted the General Power of Competence (GPC) and the thresholds do not apply. Confirmation of the eligibility and acceptance of the GPC was last completed at the Annual Meeting in May 2021 (minute ref 124).

Confirm that checks of the accounts are made by a councillor.

The system noted above details internal review takes place and I am under no doubt that council properly approves expenditure.

Section conclusion

At the interim audit date, I am of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for" has been met.

C. RISK MANAGEMENT AND INSURANCE (INTERIM AND FINAL AUDIT)***Internal audit requirement***

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Recommended minimum testing:

- Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc
- Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security
- Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation

Interim audit

The council has a Risk Management Strategy and Policy Statement which was last reviewed and approved by council on 25 November 2020 (minute ref 168). This outlines the council's approach to risk management and sets out the responsibilities of officers and councillors in implementing this. A strategic risk assessment log shows how the council has considered specific risks, detailed actions already taken and recognised actions needed to mitigate the risk. This is due for review again at the November 2021 meeting.

I confirmed that the council has a valid insurance policy in place with Zurich in a long-term agreement expiring on 1 June 2024. The policy includes Public Liability cover of £15 million, Employers Liability cover of £10 million and a Fidelity Guarantee level of £2 million. These levels appear appropriate for a council of this size.

Section conclusion

At the interim audit date, I am of the opinion that the control objective of “This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these” has been met.

D. BUDGET, PRECEPT AND RESERVES (INTERIM AND FINAL AUDIT)**Internal audit requirement**

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Recommended minimum testing:

- Ensure that the full authority, not a committee, has considered, approved and adopted the annual precept in accordance with the required parent authority timetable
- Ensure that budget reports are prepared and submitted to authority / committees periodically during the year with appropriate commentary on any significant variances
- Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances
- Ensure that the authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process
- Ensure that the precept in the accounts matches the submission form to the relevant authority and the public record of precepted amounts

Interim audit

I noted the minutes of the Finance, Budget, Resources and Staffing Committee meeting held in July 2021, where a report from the RFO on the budget process for 2022-23 was discussed in detail, and a number of recommendations adopted (minute ref 33). The RFO confirmed that it is anticipated that final approval of budget and precept will be at the January 2022 council meeting.

At the start of the financial year, the council held circa £1,932,000 in earmarked reserves and circa £259,000 in general reserves. I remind council that it is recommended to hold a general reserve level of between 3 to 12 months equivalent of precept. A review of earmarked and general reserve levels will be conducted at the year-end audit.

There is evidence within the council minutes of regular reviews of performance against budget taking place, including variance reports providing councillors with more detailed explanations of under/overspends. The records kept by the RFO show careful monitoring of all aspects of the council's financial performance.

Section conclusion

At the interim audit date, I am of the opinion that the control objective of “The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate” has been met.

E. INCOME (INTERIM AND FINAL AUDIT)**Internal audit requirement**

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Recommended minimum testing:

- Review “aged debtor” listings to ensure appropriate follow up action is in place
- Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.
- Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)

- Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised
- Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time
- Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income
- Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked

Interim audit

For 2021/22, other than the precept, the council's main income streams are rents, hire fees and letting income, funerals and graves, allotments and bank interest. The RFO keeps detailed records of receipts on the spreadsheet, detailing which budget the income is credited against.

There is evidence within the council minutes from July 2021 of the council considering reviews of fees and charges for the services provided by the council.

At the year-end audit in May 2021, we discussed implementing a quarterly review of burial income to match the level of other checks conducted by the council. Through discussion with the RFO I am pleased to note that a system has now been put in place whereby a check of records held by the Cemetery Superintendent is compared to the receipts received by the RFO.

As the interim audit was conducted remotely, I was unable to complete a detailed review of the actual invoices and remittance advices.

Section conclusion

At the interim audit date, I am of the opinion that the control objective of "Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for" has been met.

F. PETTY CASH (INTERIM AUDIT)

Internal audit requirement

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

Recommended minimum testing:

- A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a "not applicable" response is frequently required in this area.
- Review the systems in place for controlling any petty cash and cash floats (used for bar, catering, etc.)
- Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held
- Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held
- Ensure that VAT is identified wherever incurred and appropriate
- Physically check the petty cash and other cash floats held
- Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings

Interim audit

The council maintains a small petty cash float used for incidental expenses. The RFO keeps an Excel spreadsheet with details of expenditure through petty cash. A review of the usage of petty cash for the period up to the end of August shows 7 entries totalling £81.05, and from the information provided all appear to be legitimate uses of petty cash. The total amount of petty cash expenditure is immaterial to the council's overall financial position.

Due to the remote nature of the interim audit, I was unable to physically check the petty cash balance, however based on the records provided and previous audits of the council, I am in no doubt petty cash is managed correctly.

Section conclusion

I am of the opinion the control objective of "Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for" has been met.

G. PAYROLL (INTERIM AND FINAL AUDIT)**Internal audit requirement**

Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

Recommended minimum testing:

- Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract
- Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability
- Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and with the contracted hours
- Ensure that appropriate tax codes are being applied to each employee
- Where free or paid for software is used, ensure that it is up to date.
- For the test sample of employees, ensure that tax is calculated appropriately
- Check the correct treatment of pension contributions to either the Local Government pension scheme (non - taxable, deducted from the gross salary or DC schemes like NEST which already allow for tax deductions)
- For NI, ensure that the correct deduction and employer's contributions are applied: NB. The employers' allowance is not available to councils but may be used by other authorities
- Ensure that the correct employers' pension percentage contribution is being applied
- Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies

Interim audit

The council continues to use an external company to provide payroll services. The external provider completes all the PAYE and NI calculations and provides the information to the council to make the salary payments. I reviewed the payroll information and payslips for August and September 2021, and the deductions appear correct.

There is a councillor allowance scheme in place, and this is managed through payroll with appropriate records of payments kept and councillor allowances published on the council website.

Section conclusion

At the interim audit date, I am of the opinion that salaries are correctly stated on the AGAR and that the control object of "Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied" has been met.

H. ASSETS AND INVESTMENTS (INTERIM AND FINAL AUDIT)**Internal audit requirement**

Asset and investments registers were complete and accurate and properly maintained.

Recommended minimum testing:Tangible fixed assets

- Ensure that the authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets
- Physically verifying the existence and condition of high value, high risk assets may be appropriate

- Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement
- Additions and disposals records should allow tracking from the prior year to the current
- Ensure that the asset value to be reported in the AGAR at Section 2, Box 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and /or disposals
- Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or “self-insured” by the authority

Fixed asset investments

- Ensure that all long-term investments (i.e., those for more than 12-month terms) are covered by the “Investment Strategy” and reported as Assets in the AGAR at Section 2, Box 9.

Borrowing and lending

- Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired
- Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt
- Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at Section 2 Box 5
- Ensure that the outstanding loan liability as of 31st March each year is correctly recorded in the AGAR at Section 2, Box 10 (value should be verified via the DMO website)
- Where the authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt

Interim audit

The council has developed a detailed fixed asset register which is maintained in an Excel format. I reviewed a summary version at the interim audit, and a review of the full detailed register will be conducted at the year-end audit.

Section conclusion

At the interim audit date, I am of the opinion that the control objective of “Asset and investments registers were complete and accurate and properly maintained” has been met.

I. BANK AND CASH (INTERIM AND FINAL AUDIT)

Internal audit requirement

Periodic and year-end bank account reconciliations were properly carried out.

Recommended minimum testing:

- Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members
- Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, Section 2, Box 8
- Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy

Interim audit

Bank reconciliations are reviewed and signed off at the Finance, Budget, Resources and Staffing Committee meetings. I noted this is a regular standing agenda item, most recently at the meeting held on 21 July where the reconciliations for the period ending 30 June 2021 were reviewed.

The RFO provided me with copies of bank statements which show councillor’s signing these off as evidence of checking the reconciliations. This is in accordance with Financial Regulations (FR 2.2).

Section conclusion

At the interim audit date, I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of "Periodic and year-end bank account reconciliations were properly carried out" has been met.

J. YEAR END ACCOUNTS (FINAL AUDIT)**Internal audit requirement**

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.

Recommended minimum testing:

- Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein
- Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end

Section conclusion

To be reviewed at the year-end audit.

K. LIMITED ASSURANCE REVIEW (FINAL AUDIT)**Internal audit requirement**

If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")

Recommended minimum testing:

- The correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline
- That it has been published, together with all required information on the Authority's website and noticeboard

Section conclusion

To be reviewed at the year-end audit.

L: TRANSPARENCY (INTERIM AUDIT)**Internal audit requirement**

If the authority has an annual turnover not exceeding £25,000, it publishes information on a website / webpage up to date at the time of the internal audit in accordance with the Transparency Code for Smaller Authorities

Recommended minimum testing:

- This test applies only to those councils covered by the £25,000 External Audit exemption
- Internal auditors should review the authority's website ensuring that all required documentation is published in accordance with the Transparency Code for Smaller Authorities

Interim audit

The council has an annual turnover exceeding £25,000, and this test does not apply.

Section conclusion

I am of the opinion that the control assertion of "If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/ webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities" is not applicable due to the council turnover exceeding £25,000.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS (FINAL AUDIT)**Internal audit requirement**

The authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Recommended minimum testing:

- Internal auditors should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the authority's records are available for public inspection.
- Internal auditors may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

Section conclusion

To be reviewed at the year-end audit.

N: PUBLICATION REQUIREMENTS (INTERIM AUDIT)**Internal audit requirement**

The authority has complied with the publication requirements for 2020/21. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Recommended minimum testing:

- Internal auditors should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the authority's records are available for public inspection.
- Internal auditors may also check whether councils have minuted the relevant dates at the same time as approving the AGAR

Before 1 July 2021 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 2020/21, approved and signed, page 4
- Section 2 - Accounting Statements 2020/21, approved and signed, page 5

Not later than 30 September 2021 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.

Interim audit

I was able to confirm that the publication requirements for 2020/21 have been met and the Notice of Public Rights is published on the council website.

Section conclusion

I am of the opinion that the control assertion of "the authority has complied with the publication requirements for 2019/20 AGAR. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage" has been met.

O. TRUSTEESHIP (INTERIM AUDIT)**Internal audit requirement**

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Recommended minimum testing:

- Confirm that all charities of which the council is a Trustee are up to date with Charity Commission filing requirements
- that the council is the sole trustee on the Charity Commission register
- that the council is acting in accordance with the Trust deed
- that the charity meetings and accounts are recorded separately from those of the council
- review the level and activity of the charity and where a risk-based approach suggests such, review the Independent Examiner's report

Interim audit

The council is the trustee of four separate charities – The Hailsham War Memorial Institute (Charity number 252291), The Western Road Memorial Institute (255104), The Allotment for the Labouring Poor (Also known as W.W. Slye Trust) (255106) and The Allotment for Recreation Ground (Also known as Harold Maryan Trust) (255105).

I reviewed each charity on the Charity Commission website. Each shows that reporting is up to date and that there is no requirement for a financial return as they are all below the threshold for this requirement. The council is up to date with all of its charity reporting.

Section conclusion

I am of the opinion that the control assertion of "Trust funds (including charitable) – The council met its responsibilities as a trustee" has been met.

Should you have any queries please do not hesitate to contact me.

Yours sincerely



Andy Beams

For Mulberry & Co

HAILSHAM TOWN COUNCIL

NOTICE OF CONCLUSION OF THE AUDIT AND RIGHT TO INSPECT THE ANNUAL RETURN FOR THE YEAR ENDED 31ST MARCH 2021 AS PUBLISHED ALONGSIDE THIS NOTICE

Section 14 of the Audit Commission Act 1998

Accounts and Audit (England) Regulations 2011 (SI 2011/817)

The audit of accounts by PKF Littlejohn LLP of 1 Westferry Circus, Canary Wharf, London, E14 4HD for Hailsham Town Council for the year ending 31st March 2021 has been concluded.

In their opinion the Annual Return presents fairly the financial position of Hailsham Town Council at 31st March 2021 and its income and expenditure for the year then ended and in their opinion the information contained in the Annual Return is in accordance with the Audit Commission's requirements and no matters have come to their attention giving cause for concern.

The Annual Return is available for inspection by any local government elector of the Parish of Hailsham on application to Mr. John Harrison, Town Clerk at the Town Council Offices, Market Square, Hailsham from Monday to Friday between the hours of 09.00 am and 4.00 pm when any local government elector may make copies of the Annual Return.

Copies will be provided to any local government elector on payment of £5 for each copy of the Annual Return.

This announcement is made by John Harrison, Town Clerk on 2nd September 2021.

John Harrison
Town Clerk
2nd September 2021

Section 3 – External Auditor Report and Certificate 2020/21

In respect of

Hailsham Town Council – ES0044

1 Respective responsibilities of the body and the auditor

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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2020/21

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR 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.

Other matters not affecting our opinion which we draw to the attention of the authority:

None

3 External auditor certificate 2020/21

We 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 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

27/08/2021

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Report to	Finance, Budget and Resource Committee
Date	20/10/2021
By	Michelle Hagger, Finance Officer
Title of Report	Council Bank Accounts

Purpose

To consider the arrangements for the Council Bank Accounts to change to alternative bank.

Considerations

Council is asked to consider:

- Moving the Councils current account and reserve account to Unity Trust Bank.

BACKGROUND

At the full council meeting 17th June 2020 it was resolved as follows:

RESOLVED to move to online banking and to use the Online Banking with Dual Authorisation option.

At the time it was decided that it would best to move to full online banking so that the council could make payments online, due to current situation with Covid and more councils and business no longer accepting cheque payments.

However due to the Covid restrictions and the closure of our local Barclays Bank, it continued to prove an impossible situation regarding amending bank mandate and getting the relevant procedures in place with Barclays Bank to go fully online banking.

Further issues have occurred over the last few months in relation to the fact we no longer have a business bank manager locally as they have merged the banking team to form the Hampshire and Sussex Coast Business banking team, which I cannot see as being helpful to us on top of our nearest branch being Eastbourne.

Furthermore, we received an email on 8th September 2021, stating that the monthly fee will be increasing by £2.00 per month.

I have done research into other banks offering services for Councils, it appears that the high street banks have the seem issues in relating to mandate changes and the lengthy time it takes to alter and have stopped offering free banking.

On looking at the SLCC forum (for all local authorities), it appears Unity Trust bank is

most commonly used by Town and Parish Councils, including ones of our size.

Unity Trust Bank offers Single, Dual or Triple Authority which would work with our current Financial Regulations.

The bank mandate changes can be completed online without the need to go to a branch and will save lots of time and stress going forward.

It offers a cheque book and paying book as our current set up with Barclays Bank, however it would mean we could finally move to paying more suppliers online. To pay money in we would have a post office account so that we could in/withdraw cash when necessary.

FINANCIAL CONSIDERATIONS

I have attached the Unity Trust Bank current account price list as an appendix to this report.

Barclays Bank – At present its mixed payment plan

the cost per cheque is 65p, on average the council processes 70 cheques per month.
 $65p \times 70 \text{ cheques} \times 12 \text{ months} = £546.00$ pe year.
 $£8.00$ per month = $£96.00$

Cost per electronic payment – 35p per transaction with an average of 40 transactions per month = $35p \times 40 \times 12 \text{ months} = £168.00$

Cost per Month –

$£8.00$
Cheque - $£39.00$
Electronic – $£14.35$

Total = $£61.35$

The bank charges for the financial year ending 31.3.2021 where $£498.00$ and the year ending 31.3.2020 $£767.00$, I cannot use 2020-2021 as a fair cost due to Covid restrictions.

Unity Trust Bank

$£6.00$ per month bank charge = $£72.00$

15p per transaction – DD, SO, Cheques and online payments/receipts

70 cheques + 40 electronic payments/receipts = 110 transactions per months on average

Cost per month =

$£6.00$
 $110 \times 35p = £38.50$
Total = $£44.50$

Saving - $£16.85$ per month.

Plus saving the additional costs of postage of the cheques which are around £600.00 per year.

CONSIDERATIONS

To consider moving the Council's current and reserve account to Unity Trust Bank.