

**MEETING OF THE FINANCE & ADMINISTRATION COMMITTEE
TO BE HELD ON THURSDAY 11TH OCTOBER 2018 AT 7.30pm**

COMMITTEE REPORT

To be considered in conjunction with the agenda for this meeting.

1. Public Forum.

The Public Forum will last for a period of up to 15 minutes during which members of the public may put questions to the Council or draw attention to relevant matters relating to the business on the agenda. Each speaker is limited to 3 minutes. The business of the meeting will start immediately following the public forum or at 7.45pm whichever is the earlier.

4. Declarations of Interest.

Members are advised to consider the agenda for the meeting and determine in advance if they may have a Personal, Prejudicial or a Disclosable Pecuniary Interest in any of the agenda items. If a Member decides they do have a declarable interest, they are reminded that the interest and the nature of the interest must be declared at the commencement of the consideration of the agenda item; or when the interest becomes apparent to them. Details of the interest will be minuted.

Where you have a Prejudicial Interest (which is not a Disclosable Pecuniary Interest), Members are reminded that they must withdraw from the meeting chamber after making representations or asking questions.

If the interest is a Disclosable Pecuniary Interest, Members are reminded that they must take no part in the discussions of the item at all; or participate in any voting; and must withdraw from the meeting chamber; unless they have received a dispensation.

5. Chairman's Announcements.

5.1. At a recent Surrey and Sussex Association of Local Councils Legal and Finance Day, Clerks were informed that there would be a change in how VAT is submitted to HMRC from 1st April 2019. VAT registered businesses with a taxable turnover above the VAT threshold (£85,000) will be mandated to keep digital VAT records and send returns using Making Tax Digital (MTD) compatible software.

Rialtas Business Solutions has contacted the Parish Council to announce that Rialtas Suite Omega has been enhanced to support the new HMRC functionality. Customers will not need to purchase this new functionality however for customers who are required by HMRC to submit electronically there will be a small annual support fee of £59 for its use. The Clerk has written to Rialtas Business Solutions to clarify how partial exemption will be

handled by the software.

The training day reviewed basic concepts, powers and duties, Parish Councils as Charities, devolutions and working with charities. There was a section on the year end procedures and the external audit.

5.2 Invoices totally £1,038.36 are outstanding from one hirer between April 2018 and July 2018. The hirer has not been allowed to use the Parish Council halls further and has until 31st October 2018 to make payment in full. Should the debt not be paid, legal proceedings will be started.

5.3 A letter of appreciation has been received from Victim Support in response to the Parish Council's donation of £500 in May. The money has gone towards two four day Core Training courses for new volunteers. There has also been training in supporting victims of domestic violence and supporting young people affected by crime.

5.4 Horsham District Council has been approached for a report on the burial ground at Roffey. This will be circulated on receipt.

6. Internal Controls Working Party

See Annex 1 attached.

7. Financial Review to 30th September 2018.

See Annex 2 attached for the Finance Report.

8. External Audit 2018/19

See Annex 3

9. Internal Audit 2019/20

See Annex 4.

10 Forecast for 2018/19 and budget for 2019/20

See Annex 5.

11. Pension provision

The following advice was given at the last Finance and Administration Committee.

"The Principal Pensions Consultant for West Sussex County Council advises that North Horsham Parish Council has resolved to enrol all employees in the Local Government Pensions Scheme. If the Parish Council would like to change the resolution and offer a different pension scheme to new employees that would be possible. However, if office staff were offered the LGPS Scheme and Caretakers a different scheme there would need to be clear justification as to why one group had been offered a different pension to the other to mitigate any risk over the challenge of discrimination.

NALC Legal Topic Note 79 states that local councils can choose to contribute

to a qualifying scheme such as the Local Government Pension Scheme (LGPS). Town and Parish Councils do not have a statutory obligation to participate in the LGPS but can choose whether or not to designate and employ for LGPS membership.

NALC highlight the National Employment Savings Trust (NEST) Scheme set up by the government.

LGPS

Career Average Revalued Earnings Scheme

Employer contributions - 21.7% of pensionable pay.

Employee contributions range from 5.5% to 8.5% of pensionable pay.

Statutory eligibility rights apply.

NEST

Government Backed Workplace Scheme.

Minimum joint contribution of 5%. A minimum of 2% from the employer, 2.4% from the employee, 0.6% from the government. The employer can pay more.

From April 2019 the minimum joint contribution goes up to 8%. A minimum of 3% from the employer, 4% from the employee and 1% from the government.

Qualifying earnings for the scheme is salary, wages, overtime and statutory payments over £6,032 and up to £46,350 per year. The contribution is based on everything paid over the lower level and up to the upper level.

The employer has to collect and send the employers contribution to NEST.

This needs to be checked with Capita.

AVIVA

Employer pension.

There is a charge to run the scheme and provide support services.

Employer contribution is a minimum of 2% of employers salary up to April 2019 when the minimum contribution rises to 3%.

Qualifying earnings are over £10,000 per year, but employees must be offered an opportunity to join if they earn less.

It would be prudent to get professional advice before making a final decision. Any consideration needs to go to full Council for final agreement."

HR Services advised that employers can offer different pension schemes to different groups of staff, if they wish, and many do. This would not be seen as discriminatory. The advisor suggested that a check be made to ascertain that Local Councils can offer anything other than an LGPS pension. This is verified in NALC Legal Topic Note 79. Concern was also expressed that staff currently in the LGPS pension scheme may be asked to change, but that isn't the Council's intention. It is for new caretakers coming in.

12. Grant Applications

Crawley, Horsham and Mid-Sussex Home Start's application is to support the organisation's core work of providing non-judgemental, practical and emotional support to vulnerable young families. Following CHAMS support 91% families feel less isolated, 95% parents are more involved in their

children's development and 79% children's emotional health and wellbeing is improved. Volunteers say that their experience with Home Start gives them improved self-confidence and higher work related skills. Home-Start CHAMS is committed to improving children's future life chances by supporting them and their families within their early years.

The request for £700 is a small proportion of the cost of supporting one family (£1,000). Additional grants and funding activities are taking place. The service benefits those living in north Horsham.

The organisation holds modest reserves and has included all documentation. North Horsham Parish Council has previously supported Crawley, Horsham and Mid-Sussex Home Start as follows:-

Crawley & Horsham Home Start	March 2008	£1000	Ongoing work
	July 2009	£1000	Ongoing work
	February 2011	£1500	Ongoing work
	October 2015	£1500	Ongoing work
	October 2016	£1500	Service Provision
	October 2017	£ 700	Core costs service provision.

13. Date of next meeting

Thursday 13th December 2018 (Scheduled).

Pauline Whitehead BA(Hons) FSLCC
05.10.18

**NORTH HORSHAM PARISH COUNCIL
NOTES FROM THE INTERNAL CONTROLS WORKING PARTY
MONDAY 1ST OCTOBER 2018 AT 7.30pm**

Members of the Working Party:- Cllr J Smithurst*, Cllr S Torn and Cllr S Wilton.

*Denotes absence

The Clerk/ Responsible Financial Officer was also in attendance.

1. Apologies.

There were no apologies. Cllr J Smithurst did not attend.

2. Notes.

The informal notes of the meeting held on 13th August 2018 had been received by the Finance and Administration Committee and the recommendations actioned.

3. Testing

The following tests were undertaken:-

1. Review the Bank Mandates.

The signatories on the Lloyds Bank accounts, Co-op bank account and Nationwide Bank Account were stated in the minutes of the Finance Meeting on 30th August 2018. The working party viewed a recent letter which verified the signatories on the Co-operative bank account against those listed in the minutes. They were offered the file to check the bank mandates completed by members for other bank accounts but declined.

2. Budget Monitoring

There was a long discussion on budget monitoring. It was noted that accruals are not done on a monthly basis as this is not a cost effective use of officer's time. However, accruals are undertaken at the year end to give an accurate picture within the year.

Recommendation:- That fully accruals based accounting is not undertaken as it is not a cost effective use of officer's time.

It was noted however, that whilst Members received a summary report of the budget which includes the budget set by the Council, actual spending within a time period and the expected spending for the time period, along with the printout from the finance system at every Finance Meeting and at every individual Committee Meeting, the accuracy of the reporting was impacted by the lack of phasing when the budget is input into the Finance System. This means that a more accurate picture would be available if reporting was against expected expenditure within a set period rather than by giving a rough division over the twelve month period. The working party felt that preparing budgets on a phased basis through the

Financial system was a relatively cost effective way of improving the accuracy of reporting without increasing the workload of the officers or the need for upskilling.

Recommendation:- To operate the 2018/19 budget on a phased budget on a cash basis to try to improve the accuracy of financial reporting without increasing the workload of the officers and the need for upskilling.

3. Review levels of reserves.

General Reserve

The Internal Auditor expressed concern that at the end of the 2017/18 period, the Parish Council's General Reserve was £106,513 which was less than the recommended 50% of the Council's annual running costs of £150,000. The Parish Council increased the precept by 8% in 2018/19 to try to address this matter.

At the end of July 2018 the General Reserve was £218,311 compared with £155,372 the previous year. At the end of August 2018 the General Reserve was £189,122. This compared with a figure of £97,928 in August 2017. The figure for September 2018 was not available at the time. The general trend is that the General Reserve is currently above the required amount recommended by the Internal Auditor and it is likely that the figure at the end of 2018/19 may yield additional funds that could be put into an ear-marked reserve for specific projects.

The working party did not review the ear marked reserves.

The working party discussed having a more comprehensive overview of assets and it was

Recommended that the Clerk starts a programme whereby documents are produced that provide the name of the item, the purchase cost, the purchased date, life expectancy, a replacement cost and the expected replacement date. The rationale for this is to ensure that ultimately, sufficient ear-marked reserves are available to cover assets and the Council can better understand their financial requirements year on year.

It was suggested that to start the programme a document for one area, perhaps one of the playgrounds, was initiated and presented to the Finance Committee with a view to the full portfolio being progressed in a phased manner.

4. Review the Business Contingency Plan

The plan had been reviewed by the Parish Council in September 2018, but a couple of amendments were noted for the plan document.

Recommendation:- To highlight the amendments required in the Business Continuity Plan at the Finance and Administration Committee.

5. Compliance with the Transparency Code

Cllr Wilton viewed the web pages on the North Horsham Parish Council website that contained a list of Parish Council land, expenditure over £500, grant payments, staff structure, pay multiples and constitution documents, in the Parish Council's case, Standing Orders, Financial Regulations and the Code of Conduct. Cllr Wilton and Cllr Torn viewed the Transparency section of the website which was advised by the Internal Auditor. This shows the full requirements of the Transparency Code and links to the relevant documents. Where the code is not applicable to the Parish Council, this is stated.

6. Annual Return on North Horsham Parish Council website.

Cllr Wilton and Cllr Torn viewed the full Annual Return on the North Horsham Parish Council website. The Annual Return had been returned unqualified, but an additional charge for information had been requested. The letter sent with the original Annual Return had not asked for the information to be submitted, therefore the invoice has been disputed. This has been a common issue during this year's external audit and other Council's have submitted the same claims.

Date of next meeting
Monday 4th February 2019 (scheduled)

The meeting closed at 8.50 p.m.

Finance Report to show expenditure to 30th September 2018Period covering 1st April 2018 to 30th September 2018Funding at 30th September 2018

Precept (full year)	319,943
Environmental Grant (six months instalment received).	4,918
Total	324,861

Income to 30th September 2018

Cost Centre	Actual Income	Annual Budget	Expected income from 1 st April 2018 – 30 th September 2018 le budget divided by 2.
Admin	-160	150	75
Allotments	525	765	765*
Bus shelter payment	150	0	0
North Heath Hall	31,359	61,400	30,700
Holbrook Tythe Barn	17,824	28,840	14,420
Multi Court Lettings	8,642	17,510	8,755
Roffey Millennium Hall	43,413	74,700	37,350
Total	101,753	183,365	92,065

Expenditure to 30th September 2018

Cost Centre	Actual Expenditure	Annual Budget	Expected expenditure from 1 st April 2018 – 30 th September 2018 le budget divided by 2.
Admin	26,429	57,715	28,858
Grants	3,600	10,000	5,000
Burial	3,365	6,500	3,250
Personnel	141,897	285,793	142,897
Planning, Env, Trans	0	2,250	1,125
Allotments	267	1,350	675
Amenity, Recs and Open Spaces	13,702	51,507	25,753
North Heath Hall	12,165	26,093	13,046
Holbrook Tythe Barn	11,485	21,882	10,941
Roffey Millennium Hall	15,521	37,731	18,865
Total	228,431	500,821	250,410

Net expenditure	(126,678)	(317,456)	(158,345)
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Income

All buildings have exceeded the income that was expected even taking into account the reduction in hires in August for summer holidays. Bookings for the remainder of the year are at a constant level and bookings for the New Year are starting to come in.

The income from the multicourts is good bearing in mind that there is often a lull during the summer months. Bookings pick up in October and are generally consistent through to April the following year, but there is a lull over Christmas and New Year and when the weather is exceptionally bad.

*All allotment invoices are sent on 1st April, therefore the full income is expected in one hit and has now been included for the year. There could be additional income from relinquished allotments that are re-let during the year. The re-charge for the lease of Harwood Road Allotments to the Harwood Road Allotment Society was billed twice in the 2017/18 period, so that has reduced the potential income for this year by £252.

At the year end it would appear that the bank interest was accounted for twice during the year end procedure, which is why there is a negative showing in this year.

Expenditure

Expenditure for the six month period is £228, 431 against a budget of £500, 821. This is lower than anticipated.

The reasons for the difference are largely due to phasing.

Admin includes one off payments such as insurance , subscriptions etc which are due at the start of the financial year. The Public Works Loan Board is [paid in two instalments in September and March, so whilst expenditure appears lower than expected, it will even out over the year.

Burial charges are paid quarterly to HDC, two invoices have been received for this year so far. It is projected that the full cost for the year will be £6,730.

The grant budget is awarded on requests received and these are then awarded by the Finance and Administration Committee which meets every other month. There has been a steady flow of requests so far this year.

The Personnel expenditure includes all salaries and expenses to 30th September 2018. Expenditure remains lower than expected, especially in light of only setting aside 1% rather than 2% for pay increases in the budget. This is due to a staff vacancy since May 2018, but the perceived reduction will catch up with actual expenditure as the year progresses.

Amenity , Rec and Open spaces is lower because some invoices have not been received and because a lot of the regular maintenance will not be carried out until later in the year when it is due.

All buildings expenditure is generally lower because the annual servicing of equipment, decorating etc is scheduled for later in the year. However, decorating has been completed at Holbrook Tythe Barn and North Heath Hall. Roffey Millennium Hall will be decorated over the Christmas shut down.

Pauline Whitehead 04.10.18

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available
Finance & Administration						
<u>101</u>	<u>Administration</u>					
4007	Councillors Training	112	750	638		638
4008	Councillors Expenses	2,402	5,100	2,698		2,698
4021	Telephone/Fax/Internet	1,187	5,000	3,813		3,813
4022	Postage	694	2,000	1,306		1,306
4023	Stationery and Printing	717	2,000	1,283		1,283
4024	Subscriptions	3,003	3,100	97		97
4025	Insurance	8,567	12,205	3,638		3,638
4026	Publications/Magazines	17	50	33		33
4028	IT Costs	1,145	2,400	1,255		1,255
4029	Website Maintenance	0	160	160		160
4031	Other Advertising	0	200	200		200
4032	Publicity/Marketing	12	1,000	988		988
4033	Newsletter	681	1,200	519		519
4038	Office Equipment Maint.	305	1,500	1,195		1,195
4051	Bank Charges	0	200	200		200
4053	PWLB Loan Charges	6,656	13,700	7,044		7,044
4057	External Audit Fees	-1,361	1,500	2,861		2,861
4058	Professional Services	1,638	3,000	1,362		1,362
4059	Internal Audit Fees	-137	500	637		637
4100	Chairman's Allowance	85	400	315		315
4103	Parish Plan	300	0	-300		-300
4120	Roffey Hall Equipment	209	750	541		541
4122	Office Equipment	196	1,000	804		804
	Administration :- Expenditure	26,429	57,715	31,286	0	31,286
1008	Miscellaneous Income	20	0	20		0
1176	Precept	319,943	319,943	0		0
1196	Interest Received	-180	150	-330		0
	Administration :- Income	319,783	320,093	-310		
	Net Expenditure over Income	-293,354	-262,378	30,976		
<u>103</u>	<u>Grants</u>					
4155	Other Grants and Donations	3,600	10,000	6,400		6,400
	Grants :- Expenditure	3,600	10,000	6,400	0	6,400
	Net Expenditure over Income	3,600	10,000	6,400		

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	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available
<u>104</u> <u>Burial</u>					
4101 Burial Charges	3,365	6,500	3,135		3,135
Burial :- Expenditure	<u>3,365</u>	<u>6,500</u>	<u>3,135</u>	<u>0</u>	<u>3,135</u>
Net Expenditure over Income	<u>3,365</u>	<u>6,500</u>	<u>3,135</u>		
Finance & Administration :- Expenditure	<u>33,395</u>	<u>74,215</u>	<u>40,820</u>	<u>0</u>	<u>40,820</u>
Income	<u>319,783</u>	<u>320,093</u>	<u>-310</u>		
Net Expenditure over Income	<u>-286,389</u>	<u>-245,878</u>	<u>40,511</u>		
<u>Planning Environment & Transpo</u>					
<u>201</u> <u>Planning, Env & Transport</u>					
4305 Planning Consultant Fees	0	2,250	2,250		2,250
Planning, Env & Transport :- Expenditure	<u>0</u>	<u>2,250</u>	<u>2,250</u>	<u>0</u>	<u>2,250</u>
Net Expenditure over Income	<u>0</u>	<u>2,250</u>	<u>2,250</u>		
Planning Environment & Transpo :- Expenditure	<u>0</u>	<u>2,250</u>	<u>2,250</u>	<u>0</u>	<u>2,250</u>
Income	<u>0</u>	<u>0</u>	<u>0</u>		
Net Expenditure over Income	<u>0</u>	<u>2,250</u>	<u>2,250</u>		
<u>Property</u>					
<u>301</u> <u>Allotments</u>					
4012 Water Rates	30	200	170		170
4102 Allotment Rent	-13	300	313		313
4200 Grass cutting	250	750	500		500
4259 Allotment Maintenance	0	100	100		100
Allotments :- Expenditure	<u>267</u>	<u>1,350</u>	<u>1,083</u>	<u>0</u>	<u>1,083</u>
1050 Allotment Rents	525	765	-240		0
Allotments :- Income	<u>525</u>	<u>765</u>	<u>-240</u>		
Net Expenditure over Income	<u>-258</u>	<u>585</u>	<u>843</u>		
<u>302</u> <u>Amenity, Recs & Open Sp</u>					
4019 Window Cleaning	300	2,346	2,046		2,046
4200 Grass cutting	8,659	19,417	10,758		10,758
4250 Bus Shelter Repairs	108	2,000	1,892		1,892
4251 Play Area & M Crts Maint	778	8,000	7,222		7,222

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	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available
4252 Open Spaces	1,111	9,000	7,889		7,889
4253 Litter Warden/Clearance	0	650	650		650
4254 Community Services - Dog Bins	1,178	2,000	822		822
4255 Street Lighting - Maint/Supply	648	4,500	3,852		3,852
4258 Multicourts Maintenance	830	2,494	1,664		1,664
4260 Workshop	0	100	100		100
4302 Notice Board Maintenance	90	1,000	910		910
Amenity, Recs & Open Sp :- Expenditure	13,702	51,507	37,805	0	37,805
1008 Miscellaneous Income	150	0	150		0
1100 Grants Received	4,918	9,691	-4,773		0
Amenity, Recs & Open Sp :- Income	5,068	9,691	-4,623		
Net Expenditure over Income	8,633	41,816	33,183		
Property :- Expenditure	13,969	52,857	38,888	0	38,888
Income	5,594	10,456	-4,862		
Net Expenditure over Income	8,375	42,401	34,026		

Halls

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available
401 North Heath Hall					
4011 NNDR	3,744	6,234	2,490		2,490
4012 Water Rates	312	926	614		614
4014 Electricity	1,215	2,575	1,360		1,360
4015 Gas	459	2,000	1,541		1,541
4016 Cleaning Materials	452	1,300	848		848
4017 Refuse Bin Clearance	816	832	16		16
4018 Sanitary Waste	105	185	80		80
4019 Window Cleaning	160	370	210		210
4034 Maintenance - Electrical	747	2,000	1,253		1,253
4035 Maintenance - Elect Eqp Insp	0	1,360	1,360		1,360
4036 Maintenance - General	665	2,000	1,336		1,336
4037 Maintenance - Fire Alarm Syt	410	750	340		340
4039 Maint - Intruder Alarm	774	950	176		176
4041 Maintenance - Fire Extg Insp	0	150	150		150
4042 Maintenance - Gas Boiler etc	187	650	464		464
4044 Maintenance - Partition Wall	350	700	350		350
4061 Legionella Testing	115	360	245		245
4063 Maintenance - Plumbing	80	750	670		670
4065 Fire Prevention Sundries	0	75	75		75
4066 Keyholder Services	75	426	351		351

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	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available
4500 Internal Redecorations	1,500	1,500	0		0
North Heath Hall :- Expenditure	12,165	26,093	13,928	0	13,928
1000 Hall Lettings	31,359	61,400	-30,041		0
North Heath Hall :- Income	31,359	61,400	-30,041		
Net Expenditure over Income	-19,194	-35,307	-16,113		
402 Holbrook Recreation Centre					
4011 NNDR	2,044	3,405	1,361		1,361
4012 Water Rates	334	1,500	1,166		1,166
4014 Electricity	1,335	3,090	1,755		1,755
4015 Gas	195	1,286	1,091		1,091
4016 Cleaning Materials	635	1,000	365		365
4017 Refuse Bin Clearance	816	832	16		16
4018 Sanitary Waste	95	185	90		90
4019 Window Cleaning	150	312	162		162
4034 Maintenance - Electrical	1,174	2,000	826		826
4035 Maintenance - Elect Eqp Insp	0	530	530		530
4036 Maintenance - General	1,158	2,000	843		843
4037 Maintenance - Fire Alarm Syst	410	556	146		146
4039 Maint - Intruder Alarm	774	935	161		161
4041 Maintenance - Fire Extg Insp	0	150	150		150
4042 Maintenance - Gas Boiler etc	187	500	314		314
4061 Legionella Testing	100	350	250		250
4063 Maintenance - Plumbing	0	750	750		750
4065 Fire Prevention Sundries	0	75	75		75
4066 Keyholder Services	75	426	351		351
4500 Internal Redecorations	2,003	2,000	-3		-3
Holbrook Recreation Centre :- Expenditure	11,485	21,882	10,397	0	10,397
1000 Hall Lettings	17,824	28,840	-11,016		0
1010 Multi Court Lettings	8,642	17,510	-8,868		0
Holbrook Recreation Centre :- Income	26,465	46,350	-19,885		
Net Expenditure over Income	-14,981	-24,468	-9,487		
403 Roffey Millennium Hall					
4011 NNDR	3,888	6,473	2,585		2,585
4012 Water Rates	523	1,235	712		712
4014 Electricity	1,247	5,000	3,753		3,753
4015 Gas	1,834	6,000	4,166		4,166

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	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available
4016	Cleaning Materials	764	1,390	626	626
4017	Refuse Bin Clearance	1,622	1,621	-1	-1
4018	Sanitary Waste	205	185	-20	-20
4019	Window Cleaning	365	700	335	335
4020	Refreshment Sale Cost/Sundries	283	500	217	217
4034	Maintenance - Electrical	787	2,000	1,213	1,213
4035	Maintenance - Elect Eqp Insp	0	750	750	750
4036	Maintenance - General	756	3,000	2,244	2,244
4037	Maintenance - Fire Alarm Syt	410	515	105	105
4039	Maint - Intruder Alarm	774	1,500	726	726
4040	Maintenance - Elevator	251	750	499	499
4041	Maintenance - Fire Extg Insp	115	150	35	35
4042	Maintenance - Gas Boiler etc	886	1,000	114	114
4044	Maintenance - Partition Wall	0	500	500	500
4061	Legionella Testing	120	400	280	280
4062	Air Conditionaig Maintenance	270	309	39	39
4063	Maintenance - Plumbing	345	1,500	1,155	1,155
4064	Lightning Conductor Works	0	227	227	227
4065	Fire Prevention Sundries	0	100	100	100
4066	Keyholder Services	75	426	351	351
4500	Internal Redecorations	0	1,500	1,500	1,500
	Roffey Millennium Hall :- Expenditure	15,521	37,731	22,210	0
1000	Hall Lettings	41,102	72,100	-30,998	0
1004	Equipment Sale/Sundry Income	775	600	175	0
1006	Refreshment Sale Income	823	2,000	-1,177	0
1008	Miscellaneous Income	713	0	713	0
	Roffey Millennium Hall :- Income	43,413	74,700	-31,287	
	Net Expenditure over Income	-27,892	-36,969	-9,077	
	Halls :- Expenditure	39,171	85,706	46,535	0
	Income	101,237	182,450	-81,213	
	Net Expenditure over Income	-62,067	-96,744	-34,677	

Personnel

106	Personnel	139,548			
4001	Salaries/NI/Pensions + 23,438.14	116,110	280,533	164,423	164,423
4002	Childcare Vouchers	254	0	-254	-254
4003	Payroll Admin Charge	0	360	360	360
4009	Staff Expenses/Mileage	1,984	2,750	766	766

(14)

Month No : 6

Committee Report

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available
4010	Staff Training	100	1,500	1,400		1,400
4030	Recruitment Advertising	12	250	239		239
4067	Protective Clothing	0	400	400		400
	Personnel :- Expenditure	118,459	285,793	167,334	0	167,334
	Net Expenditure over Income	118,459	285,793	167,334		

	Personnel :- Expenditure	118,459	285,793	167,334	0	167,334
	Income	0	0	0		
	Net Expenditure over Income	118,459	285,793	167,334		

Earmarked Reserves

901	<u>Earmarked Reserves</u>					
4900	Repairs & Renewals Reserve	8,646	0	-8,646		-8,646
	Earmarked Reserves :- Expenditure	8,646	0	-8,646	0	-8,646
	Net Expenditure over Income	8,646	0	-8,646		

	Earmarked Reserves :- Expenditure	8,646	0	-8,646	0	-8,646
	Income	0	0	0		
	Net Expenditure over Income	8,646	0	-8,646		

North Horsham Parish Council

Income and Expenditure Account for Year Ended 31st March 2019

31st March 2018		31st March 2019
	Income Summary	
293,551	Precept	319,943
520	Interest Received	-180
<u>294,071</u>	Sub Total	<u>319,763</u>
	Operating Income	
1,762	Administration	20
1,015	Allotments	525
9,691	Amenity, Recs & Open Sp	5,068
62,013	North Heath Hall	31,359
57,416	Holbrook Recreation Centre	26,465
74,222	Roffey Millennium Hall	43,413
<u>500,189</u>	Total Income	<u>426,614</u> ✓
	Running Costs	
52,327	Administration	26,429
0	Section 137	0
8,800	Grants	3,600
9,183	Burial	3,365
275,643	Personnel	118,459
2,000	Planning, Env & Transport	0
1,009	Allotments	267
42,712	Amenity, Recs & Open Sp	13,702
23,303	North Heath Hall	12,165
20,777	Holbrook Recreation Centre	11,485
33,200	Roffey Millennium Hall	15,521
5,359	Earmarked Reserves	8,646
<u>474,312</u>	Total Expenditure	<u>213,639</u>
	General Fund Analysis	
85,277	Opening Balance	106,513
500,189	Plus : Income for Year	426,614 \
<u>585,466</u>		<u>533,127</u>
474,312	Less : Expenditure for Year	213,639
<u>111,154</u>		<u>319,488</u>
-3,386	Transfers TO / FROM Reserves	-8,646
<u>114,540</u>	Closing Balance	<u>328,134</u>

- 204,973

31st March 2018

31st March 2019

31st March 2018		31st March 2019	
Current Assets			
21,554	Debtors	26,285	
1,095	Vat Refunds	-701	
3,018	Prepayments	0	
161,487	Lloyds Bank Accounts	349,020	
85,000	Co-op Community Directplus A/c	85,000	
84,038	Nationwide	84,038	
150	Petty Cash	150	
<u>356,341</u>		<u>543,792</u>	
356,341	Total Assets	543,792	
Current Liabilities			
30,095	Creditors	7,858	
3,286	Accruals	0	
<u>33,381</u>		<u>7,858</u>	
322,960	Total Assets Less Current Liabilities	535,935	
Represented By			
106,513	General Reserve	328,134	✓
7,955	Earmarked Reserves - VAT Con	7,955	✓
139,886	Earmarked Reserves - R&R Fund	131,240	✓
19,950	Earmarked Reserves - Election	19,950	✓
5,621	Ear Marked Res-Yth Charity Bal	5,621	✓
8,035	Ear marked Reserve Planning	8,035	✓
10,000	Earmarked Reserve - NP	10,000	✓
25,000	Ear Marked Res Capital Receipt	25,000	✓
<u>322,960</u>		<u>535,935</u>	✓

The above statement represents fairly the financial position of the authority as at 31st March 2019 and reflects its Income and Expenditure during the year.

Signed :
Chairman

_____ Date : _____

Signed :
Responsible
Financial
Officer

_____ Date : _____

NORTH HORSHAM PARISH COUNCIL
RESERVE BALANCES - 30th September 2018

		RESERVES			EXPENDITURE	INCOME	BALANCE	TRANSFER	EXPENDITURE	INCOME	BALANCE	EXPENDITURE	INCOME	BALANCE	NOTE
		BALANCE	TRANSFER	BALANCE	ACTUAL	ACTUAL			ACTUAL	ACTUAL		ACTUAL	ACTUAL		
		31.3.2016	31.3.2016	1.4.2016	01.04.2017	31.03.2017	31.03.2017	01.04.2017	31.03.2018	31.03.2018	31.09.19	31.09.19	31.09.19	31.09.19	
310/0	GENERAL RESERVES	101744	-24100	77644	470391	478024	85277	-10000	468953	500189	106513	204993	426614	328134	
	EARMARKED RESERVES														
320/0	REVENUE - VAT Contingency	7955	0	7955	0	0	7955		0	0	7955			7955	
321/0	REPAIRS & RENEWALS	140666	20100	160766	23736	0	137030	8000	5144	0	139886	8646		131240	
322/0	ELECTION	19950	0	19950	0	0	19950		0	0	19950			19950	
325/0	DAMAGE	4000	0	4000	0	0	4000	-4000	0	0	0			0	3
326/0	YOUTH PROVISION	0	0	0	0	0	0		0	0	0			0	
327/0	ROFFEY YOUTH CLUB	5621	0	5621	0	0	5621		0	0	5621			5621	1
328/0	PLANNING	8000	4000	12000	3750	0	8250		215	0	8035			8035	
330/0	CAPITAL PROJECTS	4000	0	4000	0	0	4000	-4000	0	0	0			0	3
331/0	NEIGHBOURHOOD PLAN	0	0	0	0	0	0	10000	0	0	10000			10000	4
335/0	CAPITAL RECEIPT	25000	0	25000	0	0	25000		0	0	25000			25000	2
		316936	0	316936	497877	478024	297083	0	474312	500189	322960	213639	426614	535935	

- 1 Roffey Youth Club Monies held following the closure of Roffey Youth Club
- 2 Capital Receipt Capital Receipt from sale of land at North Heath Hall for Capital projects identified in the Business Plan only.
- 3 Damage/ Capital projects Reserves moved to 321 Repairs and Renewals agreed by F&A.
- 4 Neighbourhood Plan Fund created for the NP

Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual Governance and Accountability Return 2017/18 Part 3

To be completed by:

- **all smaller authorities*** where either the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; and
- **any other smaller authorities that either:**
 - are unable to certify themselves as exempt; or
 - have requested a limited assurance review.

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practices.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **annual internal audit report** is completed by the authority's internal auditor.
 - **Sections 1 and 2** are to be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved **before 2 July 2018**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or requesting a limited assurance review, **must** send to the external auditor:
 - the Annual Governance and Accountability Return Sections 1, 2 and 3, together with
 - a bank reconciliation as at 31 March 2018
 - an explanation of any significant year on year variances in the accounting statements
 - your notification of the commencement date of the period for the exercise of public rights

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

Once the external auditor has completed and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability Return including **Section 3 – External Auditor Report and Certificate** will be returned to the authority.

Publication Requirements

Smaller authorities with either income or expenditure exceeding £25,000 **must** publish on a public website, under the Accounts and Audit Regulations 2015, the Annual Governance and Accountability Return:

- **Section 1 – Annual Governance Statement 2017/18, page 4**
- **Section 2 – Accounting Statements 2017/18, page 5**
- **Section 3 – The External Auditor Report and Certificate 2017/18, page 6**
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

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

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

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

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed Annual Governance and Accountability Return. Any amendments must be approved by the authority, properly initialled and accompanied by an explanation. If the Annual Governance and Accountability Return contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically requested. However, you **must** inform your external auditor about any change of Clerk, Responsible Finance Officer or Chairman, and provide relevant email addresses and telephone numbers.
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the explanation.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs will be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- Please enter the authority's name **only** in Section 3 on Page 6. **Do not complete the remainder of that section**, which is reserved for the external auditor.
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes have been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', is an explanation provided?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations from last year to this year been provided?	✓	
	The bank reconciliation as at 31 March 2018 is agreed to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority is a sole managing trustee? NB: do not send trust accounting statements unless requested or instructed.	✓	

*More guidance on completing this annual return is available in **Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, which can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

Annual Internal Audit Report 2017/18

NORTH HORSHAM PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

06/12/17 & 20/04/18

Name of person who carried out the internal audit

MARK MULBERRY BA(Hons) FCCA CTA

Signature of person who carried out the internal audit

Mark Mulberry

Date

20/04/2018

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

NORTH HORSHAM PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2018, that:

	Agreed		*Yes' means that this authority'
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	YES		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	YES		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	YES		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	YES		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	YES		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			N/A

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

FC/243/18

dated

10/05/18

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

Chairman

A. Britten

Clerk

? Whitehead.

Other information required by the Transparency Codes (not part of Annual Governance Statement)
Authority web address

<https://www.northhorsham-pc.gov.uk>

Section 2 – Accounting Statements 2017/18 for

NORTH HORSHAM PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	316,936	297,083	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	282,726	293,552	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	195,298	206,637	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	291,367	273,353	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	14,174	13,681	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	192,336	187,278	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	297,083	322,960	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	311,674	330,675	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	RESTATED 1,360,552	1,363,624	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	81,731	72,115	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

P. Whitehead

Date

20/04/18

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

10/05/18

and recorded as minute reference:

FC/243/18

Signed by Chairman of the meeting where approval of the Accounting Statements is given

A. Britten

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

NORTH HORSHAM PARISH COUNCIL

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 2018; 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 2017/18

(~~Except for the matters reported below~~)^{*} on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2017/18

We ~~certify~~^{do not certify}^{*} that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.

~~*We do not certify completion because:~~

External Auditor Name

Maure Stephens

External Auditor Signature

[Redacted Signature]

Maure Stephens Date

14/08/18

*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)


MULBERRY & CO

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Registered Auditors
& Chartered Tax Advisors

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t +44(0)1483 423054

Our Ref: MARK/NOR002

Mrs P Whitehead
North Horsham Parish Council
Roffey Millennium Hall
Crawley Road
Horsham
West Sussex
RH12 4DT

3rd September 2018

Dear Mrs Whitehead,

Engagement Letter – Local Authority

We are pleased to accept the instruction to act as internal auditors for the Council and are writing to confirm the terms of our appointment outlined below. The purpose of this engagement letter is to set out the basis on which we are engaged to act as internal auditors and our respective areas of responsibility, it should be read in conjunction with our standard terms and conditions.

We are bound by the ethical requirements of the Association of Chartered Certified Accountants, and accept instructions to act for you on the basis that we will act in accordance with those ethical requirements. A copy of these requirements can be viewed at our offices on request or can be seen at www.accaglobal.com.

1. Period of engagement

- a. This letter is effective for accounting periods ending on or after 31st March 2019. (The 2018/19 Council year)
- b. It replaces all previous engagement letters. The previously agreed commencement date for this engagement still applies.
- c. We will deal with matters arising in respect of periods prior to the above period as appropriate.

2. Responsibilities of the Council and Internal auditors

- a. The council is responsible for ensuring that the council maintains adequate accounting records and for preparing financial statements that have been prepared in accordance with current practices and guidelines.
- b. You are also responsible for making available to us, as and when required, all the council's accounting records and all other relevant records and related information, including minutes of all meetings. We are entitled to require from the council's officers and employees such other information and explanations as we think necessary for the performance of our duties as internal auditors.
- c. We have a statutory responsibility to report to the external auditors whether in our opinion the financial statements have been properly prepared in accordance with current practices and guidelines. In forming this opinion, we shall:
 - i. Review the accounting records and all other relevant records and related information, including minutes of all meetings.
 - ii. If deemed necessary, conduct two or more reviews per annum to verify both the procedural and financial aspects of the council.

- iii. Report to you in writing any such adjustments that we may consider necessary, or those areas where we think your systems may require improvement.
 - iv. Sign off the annual return as internal auditors.
- d. We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider:
- i. whether the departure is required in order for the financial statements to give a true and fair view; and
 - ii. whether adequate disclosure has been made concerning the departure
- e. As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We are likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity within a reasonable time, there may be circumstances in which we are not able to proceed with the audit appointment.
- f. The provision of audit services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, partners and staff in audit firms have to comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal audit work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.

3. Scope of Audit

- a. Our audit will be conducted in accordance with current practices and guidelines, and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary.
- b. We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements and to establish whether proper accounting records have been maintained by the council. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions there from.
- c. The nature and extent of our procedures will vary according to our assessment of the council's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the council's systems but, if such weaknesses come to our notice during the course of our audit which we think should be brought to your attention, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the council in mind and that we accept no duty or responsibility to any other party as concerns the reports.
- d. As part of our normal audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the financial statements. In particular, where we bring misstatements in the accounts to your attention that are not adjusted, we shall require written representation of your reasons.
- e. In order to assist us with the examination of your financial statements, we shall request sight of all documents or statements, including minutes and reports, which are due to be issued with the financial statements. We are also entitled to attend all general meetings of the council and to receive notice of all such meetings.
- f. The responsibility of safeguarding the assets of the council and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with you. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including those resulting from fraud, error or non-compliance with law

or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

- g. Once we have issued/uploaded our report we have no further direct responsibility in relation to the financial statements for that financial year. However, we expect that you will inform us of any material event occurring between the date of our report and that of the Annual Meeting which may affect the financial statements.
- h. We appreciate that the present size of your council renders it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the council. In the running of your council we understand that the officers are closely involved with the control of the council's transactions. In planning and performing our audit work we shall take account of this supervision.

4. Electronic Publication

- a. Where audited financial information is published on a website or by other electronic means, it is your responsibility to ensure that any such publication properly presents the financial information and auditor's report. We reserve the right to withhold consent to the electronic publication of our report or the financial statements if they are to be published in an inappropriate manner.
- b. It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to electronically published information. We are not required to carry out ongoing review of the information after it is first published. The maintenance and integrity of electronically published information is your responsibility and we accept no responsibility for changes made to audited information after it is first posted.

5. Communication

- a. In order to ensure that there is effective two-way communication between us we set out below the expected form and timing of such communications
 - i. We shall contact you by telephone or email prior to each year-end for preliminary discussions concerning the audit.
 - ii. We may arrange a meeting to discuss the forthcoming audit prior to the expected start date.
 - iii. We may arrange a meeting to discuss any matters arising from completing the on-site work.
 - iv. We shall of course contact you on a regular basis regarding both audit and other matters.
 - v. Our report will be issued in .Pdf format via a secure server, to which only the clerk has password access

6. Other services

- a. You may request that we provide other services from time to time. We will issue a separate letter of engagement and scope of work to be performed accordingly. Because rules and regulations frequently change you must ask us to confirm any advice already given if a transaction is delayed or a similar transaction is to be undertaken.

7. Limitation of liability

- a. We specifically draw your attention to our standard terms and conditions which set out the basis on which we limit our liability to you and to others.
- b. There are no third Parties that we have agreed should be entitled to rely on the work done pursuant to this engagement letter other than the external auditors.

8. Fees

- a. Our fees are calculated using a stand rate per hour, plus disbursements and VAT and the standard applicable rate.
- b. Our fees for the 2018/19 council year are £60 per hour + VAT
- c. Where applicable we charge £0.45p per mile for travel
- d. Our fees are payable on presentation of invoice.

9. Agreement of terms

- a. This letter supersedes any previous engagement letter. Once it has been agreed, this letter will remain effective until it is replaced.
- b. If this letter is not in accordance with your understanding of the scope of our engagement or your circumstances have changed, please let us know
- c. This letter should be read in conjunction with the firm's standard terms and conditions.

Yours faithfully,



Mulberry & Co

We confirm that by electronically approving this document we are agreeing that we have read and understood the contents of this letter and related terms and conditions and further agree that it accurately reflects our fair understanding of the services that we require you to undertake.

BUDGET 2019/20 F & A COMMITTEE		BUDGET 2018/19		ESTIMATED TO 31.03.19	NOTES	BUDGET 2019/20
EXPENDITURE - REVENUE						
101	4006	Conferences	0	0		
	4007	Councillors' Training	750	250	Additional training may be required after the elections for new councillors.	1,500
	4008	Councillors' Expenses	5,100	4,670	18/19 = 10 Cllrs @£467.00 Potentially 19/20 = 19 Cllrs @£476.34 Allowing for a 2% increase)	9,050
	4021	Telephone	5,000	4,000	Improved rates saw lower bills in 2017/18, it looks like the trend will be repeated in 18/19	4,000
	4022	Postage	2,000	1,500	Reduced rate for franking machine and increased use of e-mail to send out invoices resulted in lower costs in 2017/18. The trend continues for 2018/19	1,500
	4023	Stationery and Printing	2,000	1,750	Less printing and hard copies reduces the printing costs	1,750
	4024	Subscriptions	3,100	3,100	The SALC increase is likely to be higher than in recent years.	3,500
	4025	Insurance	12,205	9,000	A change of provider has reduced costs significantly. There is a query over an engineering cost for 2018/19. 2% increase has been allowed for 2019/20.	9,200
	4026	Publications	50	17	LCR	20
	4028	IT Costs (Software)	2,400	2,400		2,400
	4029	Website Maintenance (hosting)	160	0	Not due until 2019/20	300
	4031	Other Advertising	200	0	Not used for the last 2 years	0
	4032	Publicity/Marketing	1,000	100	Nothing has been considered for 2018/19, the Year of Culture in 2019 has £1,000 sponsorship from HDC, there may be funding needed to supplement that.	1,000
	4033	Newsletter	1,200	681		700
	4038	Office Equipment Maintenance	1,500	1,000	The current contract with Horsham Pages allows for one page articles every two months.	1,000
	4051	Bank Charges	200	100	Computers etc.	100
	4053	PWLB Loan Charges	13,700	13,200	Internet banking has reduced costs.	12,700
	4057	External Audit Fees	1,500	1,420	Principal £4,807.70, interest on remaining sum ends 2025.	1,500
	4058	Professional Services	3,000	3,000		3,000
	4059	Internal Audit Fees	500	600	GDPR, eviction, HR services	600
	4100	Chairman's Allowance	400	400		400
	4103	Parish Plan/ Neighbourhood Plan	0	0	Not applicable	0
	4120	RMH Equipment (for hire)	750	300	Projectors, flasks, flip charts etc.	750
	4122	Office Equipment	1,000	1,000	Photocopier	1,000
	4150	S137 Grants	0	0	Not applicable	0
102	4155	Grants	10,000	10,000		10,000
103	4101	Burial Charges	6,500	6,750	Annual report given	6,750
104			74,215	65,238		72,720

Preliminary figures for presentation to the Finance and Administration Committee 11.10.18

