

**MEETING OF THE FINANCE & ADMINISTRATION COMMITTEE
TO BE HELD ON THURSDAY 14th DECEMBER 2023 AT 7.30pm**

CLERK'S REPORT

To be considered in conjunction with the Agenda for this meeting. Numbers relate to the item numbers on the Agenda.

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, Disclosable Pecuniary or Other Registrable 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.

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.

Where you have an **Other Registrable 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.

5. Chairman's Announcements.

6. Review of Finances to 30th November 2023

i. Finance Report to show income, expenditure and reserves to 30th November 2023

Funding at 30th November 2023

Precept (half year)	365,346
Environmental Grant	11,745
S106 Funding	3,952
Climate Change Grant	2,076
Total	383,119

Income to 30th November 2023

Cost Centre	Actual income	Annual Budget	Estimated income to 30 th Nov 2023*
Admin	16,957	200	133
Allotments**	982	995	995
North Heath Hall	44,532	71,000	47,333
Holbrook Tythe Barn	27,256	38,000	25,333
Multi Court Lettings	15,884	26,600	17,733
Roffey Millennium Hall	46,294	45,000	30,000
Total	151,905	181,795	121,528

Expenditure to 30th November 2023

Cost Centre	Actual Expenditure	Annual Budget	Estimated expenditure to 30 th Nov 2023*
Admin***	40,367	54,570	40,880
Grants	3,821	10,000	6,667
Burial****	5,596	7,460	4,973
Personnel	207,942	349,650	233,100
Planning, Env, Trans	0	1,500	1,000
Allotments	563	1,560	1,040
Amenity Rec & Open Spaces	30,786	56,485	37,657
North Heath Hall	18,605	30,778	20,519
Holbrook Tythe Barn	16,933	28,095	18,730
Roffey Millennium Hall	24,875	42,840	28,560
Total	349,488	582,938	393,125

* Total cost centre budget for 2023/4 divided by 8/12th.

** Allotment invoices are sent out annually. The full income is expected by the end of April.

*** Includes in Actual Expenditure Annual Insurance Premium of £13,884 paid May 2023 and includes in Estimated Expenditure Full Year Budget for Insurance of £13,500

**** Paid quarterly in Months 2,5,8 & 11

Supporting Finance documents including the Income and Expenditure and Reserves reports as at 30th November 2023, are attached in **Appendix 1 and 1a respectively**.

Income

At the end of Month 8 of the 2023/24 year, revenue income continues to be higher than the anticipated by approx. 25% - an increase of 4% to the position at the end of month 7.

Expenditure

Overall, expenditure is approx. 11% lower than would be expected at the end of the month, a slight widening of the gap of 10% at the end of month 7. It should be noted that the Personnel Budget continues to be around 11% less than would be expected at this time of year as although the pay award has now been agreed it is not paid (and backdated) until the December payroll run.

Reserves

As at 30th November 2023 remaining funds, including the full year precept payment received and General Reserves, stood at £407,068.

In addition, there are additional Earmarked Reserves of £262,051 - a reduction of £885 from the balance at the end of month 7, due to expenditure of £885 from the R&R EMR drain clearance and pipe survey at NHH.

Summary

As mentioned above, there is £30,377 more revenue income than budgeted for at the end of month 8 together with £43,637 less revenue expenditure than anticipated.

ii. Bank Reconciliations

A copy of the bank reconciliations and statements for the Lloyds Bank Accounts and CCLA Public Sector Deposit Fund as at 30th September, 31st October and 30th November have been circulated by emailed.

iii. VAT Analysis

The VAT Analysis to 30th September 2023 will be circulated by email. As Members will see, the applicable amount of £3,613.64 is below the De Minimus limit of £7,500. Members are asked to note that this takes into the account the changes to the VAT for the MUGAs with this column now moved to the right hand side of the spreadsheet. Looking to the second half of the year, with expenditure at NHH planned for washroom refurbishments and the issues with damp that need to be addressed, there is some concern that the limit may be breached in 2023/24, but a clearer view will be available at the next Committee Meeting when the summary to 31st December 2023 is available.

Decisions:

- i) To consider the Financial Report to 30th November 2023 including reserve balances
- ii) To confirm, with counter signature by the Chairman, and minute to evidence the bank reconciliations (against the cashbooks) for the Lloyds Bank Accounts and CCLA Public Sector Deposit Fund as at 30th September, 31st October and 30th November 2023
- iii) To note the VAT Analysis to 30th September 2023

7. Internal Controls Working Party

A meeting of the Internal Control Working Party was held on Monday 20th November 2023 and the Notes of the Meeting are attached as **Appendix 2**. The focus for the meeting was item iv) of the agreed Action Plan, namely to identify the duties of Officers and segregation of duties; procedures for bad debts and bank mandate review, bank reconciliation and procedures and test that the budget is reviewed against the actual figures. No issues were identified.

Decision : To receive the Notes of the Working Party meeting held 20th November 2023.

8. Internal Audit Report

Members are asked to receive and note the Interim Report for 2023/24 attached as **Appendix 3**, noting that there are no recommendations for consideration.

Decision: To receive the report, and consider any recommendations contained therein, from the Interim Internal Audit

9. Budget Forecast for 2023/24, Budget Proposals for 2024/25 and Precept requirement for 2024/25

Members are invited to receive the DRAFT Budget Forecast for 2023/24, Budget Proposals for 2024/25 and Precept requirement for 2024/25 (**to be circulated by email**). These are the same Budget and Forecasts as presented to this Committee at the meeting on 12th October 2023 (Min. FA/33/23 refers) except for the following amendments :-

- 4061/401 Increase to £310 due to notification of increased testing charges for 2024/25
- 4061/402 Increase to £280 due to notification of increased testing charges for 2024/25
- 4061/403 Increase to £370 due to notification of increased testing charges for 2024/25
- 4001/106 Salary forecasts have been amended to include the now approved pay award for 2023/24 and in turn this has increased the proposed budget for 2024/25.
- 4102/301 Changes to lease costs
- Tax Base - estimated Band D Equivalent Houses of 8874.3 have now been provided by HDC

As can be seen this DRAFT Forecast and Budget results in a Precept requirement of £380,247 to be funded by a Band D Equivalent per house charge of £42.85 per annum. This is an increase in the per house charge of £1.42 per annum or 3.4% per annum.

However, Members are reminded that this DRAFT Budget makes no allowances for any expenditure for additional activities such as Youth Work, community engagement, festive lighting etc in 2024/25. If Members wish to include any such funding in the 2024/25 Budget, this will need to be added in. As a benchmark for guidance, each additional £5,000 added to the Revenue Expenditure would increase the per house charge by 57 pence per annum or an extra 1.3%.

Decisions : To consider Budget Forecasts for 2023/24 and Budget Proposals for 2024/25 and make recommendation to the January Council Meeting including the Precept request for 2024/25

10. Policies

Members are asked to consider the Employer's Discretion Policy (attached as **Appendix 4**). Hampshire Pension Services, as the scheme administrator, have been consulted on any required amendments and have referred the Council to their Guidance available at <https://www.hants.gov.uk/hampshire-services/pensions/local-government/employers/policy-service-standards/discretions>

As can be read, there are the following Compulsory Discretions that must be included in the Policy and these are listed below (including reference to where they may be found on the NHPC Policy) :-

For members who were actively paying into the scheme as at 1 April 2014 onwards

- Awarding additional pension (D)
- Voluntary funding of additional pension-shared cost additional pension contributions (A)
- Flexible retirement (C - 1st & 2nd paras)
- Switching on the 85 year rule (C - 4th para)
- Waiving of actuarial reductions (C - 3rd & 7th paras)

For members who left the scheme between 1 April 2008 and before 1 April 2014

- Switching on the 85 year rule for members with deferred benefits (C - 5th para)
- Waiving of actuarial reductions on compassionate grounds for members with deferred benefits (C - 8th para)

For members who left the scheme between 1 April 1998 and before 1 April 2008

- Switching on the 85 year rule for members with deferred benefits (C - 6th para)
- Whether to grant early payment of pension benefits on or after age 50 and before age 55 (C - 9th para)
- Waiving of actuarial reductions on compassionate grounds for members with deferred benefits (C- 10th para)

For members who left the scheme before 1 April 1998

- Whether to grant early payment of pension benefits on or after age 50 and before age 55 on compassionate grounds (C - 11th para)

As can be seen, all Mandatory Discretions are referenced in the NHPC Policy. There are optional discretions that may be included regarding extensions to the timescales for aggregation of benefits and transfer of pension rights but there is no recommendation to include these.

Decisions : To review the Employer's Discretion Policy, and recommend re-adoption to Full Council

07/12/2023

North Horsham Parish Council

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Detailed Income & Expenditure by Budget Heading 30/11/2023

Month No: 8

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
101 Administration								
1008 Miscellaneous Income	23,072	2,076	0	(2,076)			0.0%	
1009 S106 Funding - HTB	0	3,952	0	(3,952)			0.0%	
1175 CIL Payment	11,805	0	0	0			0.0%	
1176 Precept	349,011	365,346	365,346	0			100.0%	
1196 Interest Received	1,860	16,957	200	(16,757)			8478.4%	
Administration :- Income	385,747	388,331	365,546	(22,785)			106.2%	0
4007 Councillors Training	65	33	1,000	967		967	3.3%	
4008 Councillors Expenses	6,347	4,789	7,000	2,211		2,211	68.4%	
4021 Telephone/Fax/Internet	3,406	1,874	3,200	1,327		1,327	58.5%	
4022 Postage	723	348	1,200	852		852	29.0%	
4023 Stationery and Printing	1,733	890	1,600	710		710	55.6%	
4024 Subscriptions	3,171	3,183	3,400	217		217	93.6%	
4025 Insurance	13,979	13,884	13,500	(384)		(384)	102.8%	
4028 IT Costs	2,527	2,459	2,800	341		341	87.8%	
4029 Website Maintenance	154	84	170	86		86	49.4%	
4032 Publicity/Marketing	0	0	500	500		500	0.0%	
4033 Newsletter	762	543	850	307		307	63.9%	
4038 Office Equipment Maint.	458	0	950	950		950	0.0%	
4051 Bank Charges	72	0	100	100		100	0.0%	
4053 PWLB Loan Charges	11,217	5,424	11,000	5,576		5,576	49.3%	
4057 External Audit Fees	1,300	65	1,400	1,335		1,335	4.6%	
4058 Professional Services	3,575	2,205	3,350	1,145		1,145	65.8%	
4059 Internal Audit Fees	349	54	450	396		396	12.0%	
4100 Chairman's Allowance	335	116	400	284		284	28.9%	
4120 Roffey Hall Equipment	674	457	700	243		243	65.3%	
4122 Office Equipment	493	7	1,000	993		993	0.7%	
4249 S106 Funding - Indoor Sport	0	3,952	0	(3,952)		(3,952)	0.0%	
Administration :- Indirect Expenditure	51,341	40,367	54,570	14,203	0	14,203	74.0%	0
Net Income over Expenditure	334,406	347,964	310,976	(36,988)				
6001 less Transfer to EMR	11,805	0						
Movement to/(from) Gen Reserve	322,601	347,964						
103 Grants								
4155 Other Grants and Donations	5,780	3,821	10,000	6,179		6,179	38.2%	
Grants :- Indirect Expenditure	5,780	3,821	10,000	6,179	0	6,179	38.2%	0
Net Expenditure	(5,780)	(3,821)	(10,000)	(6,179)				

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Detailed Income & Expenditure by Budget Heading 30/11/2023

Month No: 8

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>104 Burial</u>								
4101 Burial Charges	7,461	5,596	7,460	1,864		1,864	75.0%	
Burial :- Indirect Expenditure	7,461	5,596	7,460	1,864	0	1,864	75.0%	0
Net Expenditure	(7,461)	(5,596)	(7,460)	(1,864)				
<u>106 Personnel</u>								
4001 Salaries/NI/Pensions	314,844	204,259	343,000	138,741		138,741	59.6%	
4002 Childcare Vouchers	1,282	0	0	0		0	0.0%	
4003 Payroll Admin Charge	870	668	1,400	732		732	47.7%	
4009 Staff Expenses/Mileage	3,653	2,615	3,000	385		385	87.2%	
4010 Staff Training	1,460	60	1,600	1,540		1,540	3.8%	
4030 Recruitment Advertising	291	181	250	69		69	72.4%	
4067 Protective Clothing	381	159	400	241		241	39.8%	
Personnel :- Indirect Expenditure	322,782	207,942	349,650	141,708	0	141,708	59.5%	0
Net Expenditure	(322,782)	(207,942)	(349,650)	(141,708)				
<u>201 Planning, Env & Transport</u>								
4305 Planning Consultant Fees	0	0	1,500	1,500		1,500	0.0%	
Planning, Env & Transport :- Indirect Expenditure	0	0	1,500	1,500	0	1,500	0.0%	0
Net Expenditure	0	0	(1,500)	(1,500)				
<u>301 Allotments</u>								
1050 Allotment Rents	983	982	995	13			98.7%	
Allotments :- Income	983	982	995	13			98.7%	0
4012 Water Rates	71	241	100	(141)		(141)	240.5%	
4102 Allotment Rent	275	0	275	275		275	0.0%	
4200 Grass cutting	554	323	765	443		443	42.2%	
4259 Allotment Maintenance	50	0	420	420		420	0.0%	
Allotments :- Indirect Expenditure	950	563	1,560	997	0	997	36.1%	0
Net Income over Expenditure	33	419	(565)	(984)				
<u>302 Amenity, Recs & Open Sp</u>								
1100 Grants Received	10,677	11,745	10,678	(1,067)			110.0%	
Amenity, Recs & Open Sp :- Income	10,677	11,745	10,678	(1,067)			110.0%	0
4019 Window Cleaning	738	680	1,000	320		320	68.0%	
4200 Grass cutting	11,293	14,567	21,250	6,683		6,683	68.6%	

Detailed Income & Expenditure by Budget Heading 30/11/2023

Month No: 8

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4250 Bus Shelter Repairs	1,286	965	1,850	886		886	52.1%	
4251 Play Area & M Crts Maint	7,251	4,267	7,875	3,608	1,274	2,334	70.4%	
4252 Open Spaces	6,032	2,893	10,500	7,607		7,607	27.5%	
4253 Litter Warden/Clearance	486	416	945	529		529	44.0%	
4254 Community Services - Dog Bins	2,780	1,417	2,415	998		998	58.7%	
4255 Street Lighting - Maint/Supply	2,743	2,898	5,500	2,602		2,602	52.7%	
4258 Multicourts Maintenance	3,720	2,480	3,750	1,270		1,270	66.1%	
4260 Workshop	49	0	500	500		500	0.0%	
4302 Notice Board Maintenance	321	204	900	696		696	22.7%	
Amenity, Recs & Open Sp :- Indirect Expenditure	36,698	30,786	56,485	25,699	1,274	24,425	56.8%	0
Net Income over Expenditure	(26,020)	(19,041)	(45,807)	(26,766)				
6001 less Transfer to EMR	996	0						
Movement to/(from) Gen Reserve	(27,016)	(19,041)						
<u>401 North Heath Hall</u>								
1000 Hall Lettings	64,492	44,532	71,000	26,468			62.7%	
North Heath Hall :- Income	64,492	44,532	71,000	26,468			62.7%	0
4011 NNDR	6,487	3,907	7,350	3,443		3,443	53.2%	
4012 Water Rates	826	411	975	564		564	42.2%	
4014 Electricity	2,543	1,455	2,900	1,445		1,445	50.2%	
4015 Gas	5,074	2,021	2,690	669		669	75.1%	
4016 Cleaning Materials	860	750	1,470	720		720	51.0%	
4017 Refuse Bin Clearance	973	590	882	293		293	66.8%	
4018 Sanitary Waste	118	150	336	186		186	44.7%	
4019 Window Cleaning	590	544	735	191		191	74.1%	
4034 Maintenance - Electrical	2,100	852	1,575	723		723	54.1%	
4035 Maintenance - Elect Eqp Insp	600	800	580	(220)		(220)	137.9%	
4036 Maintenance - General	2,245	1,905	2,100	195		195	90.7%	
4037 Maintenance - Fire Alarm Syst	420	459	615	156		156	74.6%	
4039 Maint - Intruder Alarm	1,070	964	1,000	36		36	96.4%	
4041 Maintenance - Fire Extg Insp	47	0	170	170		170	0.0%	
4042 Maintenance - Gas Boiler etc	274	625	685	60		60	91.2%	
4044 Maintenance - Partition Wall	348	695	840	145		145	82.7%	
4061 Legionella Testing	525	140	385	245		245	36.4%	
4063 Maintenance - Plumbing	406	97	685	588		588	14.2%	
4065 Fire Prevention Sundries	0	0	105	105		105	0.0%	
4066 Keyholder Services	180	120	200	80		80	60.0%	
4500 Internal Redecorations	0	2,120	4,500	2,380		2,380	47.1%	
North Heath Hall :- Indirect Expenditure	25,685	18,605	30,778	12,173	0	12,173	60.4%	0
Net Income over Expenditure	38,807	25,927	40,222	14,295				
6001 less Transfer to EMR	1,550	0						

Detailed Income & Expenditure by Budget Heading 30/11/2023

Month No: 8

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
Movement to/(from) Gen Reserve	37,257	25,927						
402 Holbrook Recreation Centre								
1000 Hall Lettings	36,771	27,256	38,000	10,744			71.7%	
1010 Multi Court Lettings	21,991	15,884	26,600	10,716			59.7%	
Holbrook Recreation Centre :- Income	58,761	43,140	64,600	21,460			66.8%	0
4011 NNDR	3,543	2,329	4,200	1,871	1,871		55.5%	
4012 Water Rates	838	850	1,315	465	465		64.6%	
4014 Electricity	3,792	1,831	3,415	1,584	1,584		53.6%	
4015 Gas	1,289	1,081	1,575	494	494		68.6%	
4016 Cleaning Materials	1,303	729	1,470	741	741		49.6%	
4017 Refuse Bin Clearance	825	590	885	296	296		66.6%	
4018 Sanitary Waste	118	150	255	105	105		59.0%	
4019 Window Cleaning	258	238	475	237	237		50.1%	
4034 Maintenance - Electrical	339	2,532	5,155	2,623	2,623		49.1%	
4035 Maintenance - Elect Eqp Insp	600	2,042	2,065	23	23		98.9%	
4036 Maintenance - General	2,101	1,133	1,995	862	862		56.8%	
4037 Maintenance - Fire Alarm Syst	747	420	630	210	210		66.7%	
4039 Maint - Intruder Alarm	932	925	1,000	75	75		92.5%	
4041 Maintenance - Fire Extg Insp	64	0	170	170	170		0.0%	
4042 Maintenance - Gas Boiler etc	751	583	525	(58)	(58)		111.1%	
4061 Legionella Testing	480	125	370	245	245		33.8%	
4063 Maintenance - Plumbing	455	245	765	520	520		32.0%	
4065 Fire Prevention Sundries	665	10	630	620	620		1.6%	
4066 Keyholder Services	180	120	200	80	80		60.0%	
4500 Internal Redecorations	166	1,000	1,000	0	0		100.0%	
Holbrook Recreation Centre :- Indirect Expenditure	19,445	16,933	28,095	11,162	0	11,162	60.3%	0
Net Income over Expenditure	39,316	26,207	36,505	10,299				
6001 less Transfer to EMR	0	2,076						
Movement to/(from) Gen Reserve	39,316	24,130						
403 Roffey Millennium Hall								
1000 Hall Lettings	52,770	44,216	45,000	784			98.3%	
1004 Equipment Sale/Sundry Income	660	719	0	(719)			0.0%	
1006 Refreshment Sale Income	1,408	1,352	0	(1,352)			0.0%	
1008 Miscellaneous Income	256	6	0	(6)			0.0%	
Roffey Millennium Hall :- Income	55,093	46,294	45,000	(1,294)			102.9%	0
4011 NNDR	6,737	4,717	7,700	2,983	2,983		61.3%	

Detailed Income & Expenditure by Budget Heading 30/11/2023

Month No: 8

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4012 Water Rates	1,573	965	1,260	295		295	76.6%	
4014 Electricity	6,128	3,852	5,385	1,533		1,533	71.5%	
4015 Gas	3,859	3,224	6,300	3,076		3,076	51.2%	
4016 Cleaning Materials	1,344	758	1,445	687		687	52.5%	
4017 Refuse Bin Clearance	1,699	1,260	1,750	490		490	72.0%	
4018 Sanitary Waste	118	150	245	95		95	61.4%	
4019 Window Cleaning	812	749	1,040	292		292	72.0%	
4020 Refreshment Sale Cost/Sundries	446	525	315	(210)		(210)	166.7%	
4034 Maintenance - Electrical	1,197	900	2,100	1,200		1,200	42.8%	
4035 Maintenance - Elect Eqp Insp	610	450	2,730	2,280		2,280	16.5%	
4036 Maintenance - General	3,330	1,581	3,460	1,879		1,879	45.7%	
4037 Maintenance - Fire Alarm Syt	420	459	580	121		121	79.1%	
4039 Maint - Intruder Alarm	925	925	1,000	75		75	92.5%	
4040 Maintenance - Elevator	774	821	790	(31)		(31)	103.9%	
4041 Maintenance - Fire Extg Insp	86	128	170	42		42	75.2%	
4042 Maintenance - Gas Boiler etc	545	433	945	512		512	45.8%	
4044 Maintenance - Partition Wall	688	345	630	285		285	54.8%	
4061 Legionella Testing	578	190	395	205		205	48.1%	
4062 Air Conditionaing Maintenance	277	270	315	45		45	85.7%	
4063 Maintenance - Plumbing	353	105	1,365	1,260		1,260	7.7%	
4064 Lightning Conductor Works	195	0	315	315		315	0.0%	
4065 Fire Prevention Sundries	153	0	105	105		105	0.0%	
4066 Keyholder Services	180	120	200	80		80	60.0%	
4500 Internal Redecorations	1,000	1,950	2,300	350		350	84.8%	
Roffey Millennium Hall :- Indirect Expenditure	34,025	24,875	42,840	17,965	0	17,965	58.1%	0
Net Income over Expenditure	21,068	21,418	2,160	(19,258)				
<u>901 Earmarked Reserves</u>								
4900 Repairs & Renewals Reserve	54,130	21,328	0	(21,328)		(21,328)	0.0%	21,328
Earmarked Reserves :- Indirect Expenditure	54,130	21,328	0	(21,328)	0	(21,328)		21,328
Net Expenditure	(54,130)	(21,328)	0	21,328				
6000 plus Transfer from EMR	54,150	21,328						
6001 less Transfer to EMR	20	0						
Movement to/(from) Gen Reserve	0	0						
Grand Totals:- Income	575,755	535,023	557,819	22,796			95.9%	
Expenditure	558,298	370,817	582,938	212,121	1,274	210,847	63.8%	
Net Income over Expenditure	17,457	164,207	(25,119)	(189,326)				
plus Transfer from EMR	54,150	21,328						
less Transfer to EMR	14,371	2,076						
Movement to/(from) Gen Reserve	57,236	183,459						

NORTH HORSHAM PARISH COUNCIL
RESERVE BALANCES - 30th November 2023

	BALANCE 31.03.2021	TRANSFER 01.04.2021	EXPENDITURE ACTUAL 31.03.2022	INCOME ACTUAL 31.03.2022	BALANCE 31.03.2022	FROM Reserve		TO Reserve		FROM Reserve		TO Reserve		NOTE
						EXPENDITURE ACTUAL 31.03.2023	INCOME ACTUAL 31.03.2023	BALANCE 31.03.2023	TRANSFER 01.04.2023	EXPENDITURE ACTUAL 30.11.2023	INCOME ACTUAL 30.11.2023	BALANCE 30.11.2023		
310/0 GENERAL RESERVES	216901	-8500	461137	503109	250373	-37546	504167	563950	272610	-49000	349489	532947	407068	
EARMARKED RESERVES					0				0				0	
320/0 REVENUE - VAT CONTINGENCY	7955				7955				7955				7955	
321/0 REPAIRS & RENEWALS (R&R)	100693	3500	8059		96134		27546		68589		7630		60959	3
322/0 ELECTION	19950				19950				19950				19950	
323/0 TREE MANAGEMENT WORK	3825				3825	5000	7860		965	4000	860		4105	6
327/0 ROFFEY YOUTH CLUB	5621				5621				5621		5000		621	1
328/0 PLANNING	8035				8035				8035				8035	
329/0 EMR - GRANT FOR LED LIGHTS	0				0				0		2076	2076	0	
330/0 EMR - MARCH 2023	0				0	2546			2546		2525		21	
331/0 RMH BOILER	20000	5000			25000	5000			30000	5000			35000	
332/0 PLAYGROUND UPGRADE	25000				25000	25000			50000	25000			75000	
333/0 NHH WASHROOM REFURBISHMENT	0				0				0	15000	2462		12538	
335/0 CAPITAL RECEIPT	25000				25000				25000				25000	2
337/0 NORTH HORSHAM COMMUNITY LAND TRUST	3				3				3				3	
336/0 COMMUNITY INFRASTRUCTURE LEVY - 2019/2020	8551		8551		0				0				0	
338/0 COMMUNITY INFRASTRUCTURE LEVY 2020/2021	2395		2394.55		0				0				0	
339/0 COMMUNITY INFRASTRUCTURE LEVY 2021/2022	0		5603.76	26163	20559		18725		1835		775		1060	4
340/0 COMMUNITY INFRASTRUCTURE LEVY 2022/2023	0				0			11805	11805				11805	5
	443928	0	485745	529272	487455	0	558297	575755	504913	0	370817	535023	669119	

1 Roffey Youth Club - money left from when the Youth Club Committee folded but agreed at Council Meeting 13th Jan 2022 (Min. FC/862/22) for £5,000 to go to HDC Youth work - request for payment of funds still awaited.

2 Capital Receipt - money from the sale of land.

3 R & R - ongoing repairs agreed by the Property Committee	321	Servcom - Boiler Repairs £562.96 Servcom - Boiler Repairs £1,248.75 EMBH - Water Jugs £49.99 H New - MC Floodlights £957.23 MAC - Building Work £735.00 Pro Servicing Partition Wall £895.00 <u>£4,448.93</u>	B/Fwd Elite Door Repairs £800.00 Oks - LRT Maintenance £1,096.15 Survey Report - NNH £400.00 Happy Drain - Tanker & CCTV £885.00 <u>£7,630.08</u>	B/Fwd
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4 CL 2021/2022	339	Defibrillator - HTB & NNH £775.00 <u>£775.00</u> C/Fwd	B/Fwd	<u>£0.00</u>
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5 NHH - Washroom Refurbishment	333	Surveys £582.00 Architect Drawings £630.00 IGNS Engineerings £690.00 HDC £560.00 <u>£2,462.00</u>		
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6 Tree Management Works	323	Forest View - Tree Management £860.00 <u>£860.00</u>		
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7 EMR - March 2023	330	TCM - Build, Maintenance £1,550.00 TCM - Playground Maintenance £160.00 FVTS - Tree Sergeant £560.00 TCM - Playground Repairs £115.00 TCM - Playground Repairs £140.00 <u>£2,525.00</u>		
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8 EMR - HDC Grant	329	HDC - LED Lights £2,076.10 Simmonds - Led Lights £2,076.00 Simmonds - Led Lights £0.10 <u>£0.00</u>		
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9 EMR - Roffey Youth Club	327	4 The Youth £5,000.00 <u>£5,000.00</u>		
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**NORTH HORSHAM PARISH COUNCIL
NOTES FROM THE INTERNAL CONTROLS WORKING PARTY
MONDAY 20th NOVEMBER 2023 AT 11am**

Members of the Working Party:- All Members of the Finance & Administration Committee
Cllrs. Mrs. Gough, Smithurst, Torn and Turner were in attendance.

Sarah Norman (Clerk/Responsible Financial Officer) and Jitu Chudasama (Administration Clerk) were also in attendance.

1. Election of Chairman

Cllr. Smithurst was appointed as the Chairman for the Meeting.

2. Apologies.

There were no apologies for absence.

3. Notes.

The notes of the meeting held 11th September 2023 were presented to the Finance and Administration Committee at the meeting held 12th October 2023 (Min. FA/32/23 refers)

4. Tests agreed in the Action Plan reviewed and agreed by the Finance and Administration Committee on 12th October 2023 (Min. FA/32/23 refers) designed to review safe and efficient safeguarding of public money; prevent and detect inaccuracy and fraud.

- i. That Salaries have been properly reviewed
- ii. Identifying the duties of Officers and segregation of duties; authorisation of payments; hierarchical review and that a commitment over £5,000 is compliant
- iii. To review that risk levels are properly managed and compliance with the publication rules for the Local Government Transparency Code 2015
- iv. Identifying the duties of Officers and segregation of duties; procedures for bad debts and bank mandate review, bank reconciliation and procedures, test that the budget is reviewed against the actual figures

As had been agreed at the Finance and Administration Committee meeting held 12th October 2023, the focus for the review was to be point (iv) of the Action Plan, namely, to identify the duties of Officers and segregation of duties; procedures for bad debts and bank mandate review, bank reconciliation and procedures and test that the budget is reviewed against the actual figures.

Test Sales and review procedures

A copy of the current price list from RBS had been circulated with the Agenda. This could be compared to the 2023/24 hire charges as agreed at the Council meeting held 12th January 2023 and included in the report to that meeting. In addition, a paper copy was also available at the meeting.

Members proceeded to review 4 bookings through the system, checking the following :-

- i) Booking agrees to the Booking form
 - ii) The correct charging was applied
 - iii) VAT had been charged correctly
 - iv) The booking had been posted correctly to the Sales Ledger
- Upbeat Dance Company Booking for 4th October 2023 at RMH - Invoice 27628
 - Emma Parnell (You and Roo fitness) Booking for 9th June 2023 at HTB - Invoice 27258
 - New View Nurseries Booking for 6th October 2023 at NHH - Invoice 27638
 - Antonia Johnston Booking for 16th August 2023 at MUGA - Invoice 27409

Members then selected a total of 4 transactions - either invoices from the paid invoices file or bank statement entries - and for each of these confirmed that :-

- i) The payment was shown in the Bank Paying in Book (if cash or cheque)
- ii) The payment was recorded in the receipt's files
- iii) The payment was entered into the Sales Ledger
- iv) The payment appeared on the bank statement

- Southwater Bridge Club Invoice 27430 - £327.86
- The Bariatric Clinic Invoice 27219 - £1,133. It was shown that there had been an overpayment in error by the hirer and the invoice amount was actually £133.13. The refund was evidenced through the bank statements.
- Jennie Kemp Invoice 27147 - £72.00
- Clarity Travel (Sussex Police) Invoices 27376, 27402, 27403 & CN837 - £883.46

Finally, Members **NOTED** that the invoice to Clarity Travel had included a Credit Note (CN837) as they had decided not to hire a projector, and this had been approved by the Clerk/RFO.

The Clerk updated Members that segregation of duties continued as before namely:-

- Administration Clerk - primary staff member for processing receipts and payments, ad hoc invoices and month end procedure
- Committee Clerk - primary staff member for regular invoicing
- Parish Clerk - primary staff member for month end review and approval

However, whilst being mindful of the need for segregation of duties this was challenging in such as small team and therefore, to ensure resilience and continuity, all staff were being trained to undertake all functions.

Finally, it was suggested that over the next 12 months the Council move away from the retention of paper copies of the invoicing. The Clerk agreed to investigate this and would also seek advice from the Internal Auditor for pros and cons of doing so.

Creditors and Debtors

Current listings as at 31st October 2023 for Sales Ledger (Debtors) and Purchaser Ledger (Creditors) as circulated with the Agenda were **NOTED**.

Bank Mandate

Members **NOTED** That in accordance with Financial Regulation 5.1, the signatories to the Bank Account were reviewed and agreed at the Annual Meeting of the Council on 18th May 2023 (Min. FC/10/23 refers) as :-

- | | |
|-----------------------|---------------------|
| * Cllr Alan Britten | * Cllr Simon Torn |
| * Cllr Peter Burgess | * Cllr Ray Turner |
| * Cllr Joy Gough | * Cllr Sally Wilton |
| * Cllr Roland Knight | * The Clerk |
| * Cllr John Smithurst | * The Deputy Clerk |

Bank Reconciliations

Members **NOTED** that following their amendment in July 2023 (Min. FC/36/23 refers), the Financial Regulation 2.2 now required that on a regular basis, at least once in each quarter, and usually at the meetings of the Finance and Administration Committee, the Chairman of the Finance & Administration Committee Meeting at which the reconciliations were received would be appointed to verify bank reconciliations (for all accounts) produced by the RFO and this was reported as follows :-

- Finance & Administration Committee 12th October 2023 - Reconciliation as at 31st August 2023 was noted and signed (Min. FA/31/23 ii)
- Finance & Administration Committee 17th August 2023 - Reconciliations as at 30th June and 31st July 2023 were noted and signed (Min. FA/18/23 ii)
- Finance & Administration Committee 15th June 2023 - Reconciliations as at 30th April and 31st May 2023 were noted and signed (Min. FA/08/23 ii)
- Finance & Administration Committee 20th April 2023 - Reconciliations as at 28th February and 31st March 2023 were noted and signed (Min. FA/68/23 ii)
- Finance & Administration Committee 16th February 2023 - Reconciliations as at 30th November 2022, 31st December 2022 and 31st January 2023 were noted and signed (Min. FA/53/23 ii)
- Finance & Administration Committee 8th December 2022 - Reconciliation as at 31st October 2021 was noted and signed (Min. FA/41/22 ii)

Budget Monitoring

Members **NOTED** the following regime for budget monitoring and **AGREED** that this was sufficient :-

- Council Meetings - each Meeting receives a breakdown of the income and expenditure compared to the budget anticipated for that point in the year, together with the most up to date Income v Expenditure report from the RBS system.
- Finance & Administration Committee - each Meeting receives a breakdown of the income and expenditure compared to the budget anticipated for that point in the year, together with the most up to date Income v Expenditure report from the RBS system.
- Personnel Committee - each meeting receives a breakdown of the expenditure compared to the budget anticipated for that point in the year for Cost Centre 106 (Personnel and Staffing costs).
- Property Committee - each Meeting receives a breakdown of the income and expenditure compared to the budget anticipated for that point in the year.

Unauthorised use of Buildings

Finally, the Clerk reported that at a previous meeting it had been suggested that reports from the alarm company be obtained for the buildings and this cross checked with the time sheets for the caretakers to ensure the buildings were not being used unauthorised. However, it transpired that the alarm company was unable to produce such a report and therefore as an alternative, the Facilities Officer would make random checks on the usage of the buildings - 2 to 3 times a year - and cross check against the authorised bookings. It was **NOTED** that to date these checks had shown no unexpected access to the buildings.

5. It was **NOTED** that the date of the next Meeting would be 26th February 2024 and furthermore, it was **AGREED** that the focus for that meeting would be point (i) of the Action Plan namely, to check that salaries had been reviewed.

There being no further business the meeting was closed at 12pm.

**MULBERRY & CO**

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Registered Auditors
& Chartered Tax Advisors

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Our Ref: MARK/NOR002

Mrs S Norman
North Horsham Parish Council
Roffey Millennium Hall
Crawley Road
Horsham
West Sussex
RH12 4DT

18 October 2023

Dear Sarah

Re: North Horsham Parish Council
Internal Audit Year Ended 31 March 2024 – Interim Audit report

Executive summary

Following completion of our interim internal audit on 18 October 2023 we enclose our report for your kind attention and presentation to the council. The audit was conducted 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.

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. Testing requirements follow those detailed in the audit plan previously sent to the council, a copy of this is available on request. The report concludes with an opinion as to whether each assertion has been met or not at the interim audit. Where appropriate **recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor at this time, 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 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 North Horsham Parish 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, who has over 30 years' experience in the financial sector with the last 13 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Engagement Letter

An engagement letter was previously issued to the council covering the 2023/24 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. As part of the inherent risk assessment, we have concluded that:

- There have been no reported 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

It is our 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.

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A. BOOKS OF ACCOUNT

Internal audit requirement

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

Audit findings

The interim audit was conducted on site with the Clerk, who also acts as the council's Responsible Financial Officer (RFO). The Clerk had prepared the requested information advised in advance of the visit, and overall, I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the Clerk and a review of the council website www.northhorsham-pc.gov.uk

The council continues to use the Rialtas Business Solutions (RBS) accounting software for recording the council's finances. This is an industry specific accounting package and I make no recommendation to change. The software is used regularly and used to produce management information reports for review at council meetings.

B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS

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.

Audit findings

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

The External Auditor's Report was not qualified and has been published on the council website along with the Notice of Conclusion of Audit. This will be formally reported to council at the meeting scheduled for 2 November 2023 having been received after publication of the September agenda.

I note the council received and considered the internal auditor's latest report at the council meeting held on 18 May 2023 (minute ref FC/18/23).

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms, and confirmation of this is noted in the council meeting held on 18 May 2023 (minute ref FC/03/23). The council website provides details of the individual councillor's Register of Members' Interests forms.

Confirm that the council is compliant with the relevant transparency code

As the council's income and expenditure exceeds £25,000, it is not a statutory requirement to follow the requirements of the Local Government Transparency Code, although it is recommended best practice to do so. I note the council has established a transparency tab on the council website and publishes the required information in accordance with the Code.

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 and these have been actively in use since the May 2023 election.

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 Joint Panel on Accountability and Governance (JPAG) Practitioner's Guide (March 2023) contains updated guidance on the matter as below:

The importance of secure email systems and GOV.UK

5.205. All authorities except parish meetings must now have an official website. To comply with GDPR, councils should provide official email accounts for their councillors as well as for their clerk and other officers.

5.206. *When choosing a domain name for the council's website and emails, many local council websites are appropriately making use of the official GOV.UK domain (for example, ourparishcouncil.gov.uk), with email addresses being linked to that domain.*

5.207. *Using a GOV.UK domain for your council website and email accounts demonstrates the council's official local government status. Members of the public are increasingly cyber security awareness, so a GOV.UK domain can also help to build trust, and credibility and visibly demonstrates authenticity. Many people will now reasonably expect a local council to have a GOV.UK domain name.*

5.208. *For the purposes of user management, councils should ensure that the proper officer can add and remove member and staff email accounts. Commercial 'dashboard' email and web systems offer centralised searching of all data contained within the system for effective compliance with GDPR Subject Access Requests and Freedom of Information Requests.*

The council has a Privacy Notice and Accessibility Statement on its website, and it is clear the council has made every effort to comply with the website requirements.

Confirm that the council meets regularly throughout the year

In addition to full council, the council has a committee structure in place. Terms of reference for each committee are published as part of the council's Standing Orders and are available on the council website, along with future meeting dates and historic agendas and minutes for council and committee meetings.

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

I was able to confirm 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.

I note that the non-confidential supporting documentation is published on the website alongside the agendas in accordance with the requirements of the Information Commissioner's Office.

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

Draft minutes are uploaded to the council website and clearly annotated as unconfirmed.

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

The Standing Orders are based on the current NALC model and were most recently reviewed and adopted by council in July 2023 (minute ref FC/36/23). I note they have been amended to include the council, committee and working party terms of reference.

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

Financial Regulations are based on the current NALC model and were last reviewed and adopted by council in July 2023 (minute ref FC/36/23), based on a recommendation from the June 2023 Finance & Administration committee meeting. I note this included consideration of the recommendations contained within previous internal audit reports, and these have been included in the revised version.

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

The council has thresholds in place at which authorisations to spend must be obtained as below:

FR 4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. The authority for expenditure outside of an approved budget is to be determined by:

- *the council for all items over £5,000.*
- *the Finance and Administration Committee for items between £2,000 and £5,000.*
- *a duly delegated committee of the council for items up to £2,000.*
- *The Clerk, in conjunction with the Chairman of the Council in accordance with clause 4.5.*

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk and the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

The Property Committee has the responsibility for the Property Repairs and Renewals Fund. A rolling 'Repairs and Maintenance Plan' will be reviewed by the Property Committee and Finance and Administration Committee as part of the annual budget process, in order to determine the annual funding requirement. The Repairs and Renewals Fund will have a base level of £10,000 and will not be used for the funding of new Capital projects.

FR 4.5. In cases of extreme risk to the delivery of council services, the RFO may authorise revenue expenditure on behalf of the council which in the RFO's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £10,000. The RFO shall report such action to the chairman as soon as possible and to the council as soon as practicable thereafter.

Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £9.93 per elector

The council has re-adopted the General Power of Competence (GPC) having met the eligibility criteria after the May 2023 election, and this is recorded in the minutes of the council meeting held on 18 May 2023 (minute ref FC/07/23). The section 137 thresholds therefore do not apply.

Check receipt of VAT refund matches last submitted VAT return

The council submits its VAT return on a quarterly basis. I reviewed the submission for the period ending 30 September 2023 which showed a refund amount due of £2,645.14. I was able to confirm receipt of this amount to the council's bank account on 13 October 2023. The council is up to date with its VAT submissions.

Confirm that checks of the accounts are made by a councillor

The council has an internal control action plan, which is monitored by the Internal Controls Working Party who choose a different focus element of the plan to test prior to each meeting. Alongside the system noted above, this confirms that detailed internal review takes place, and I am under no doubt that council properly approves expenditure.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

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

Audit findings

The council has a risk management policy and assessment process in place, which was most recently reviewed and approved on 12 October 2023 (minute ref FA/35/23). I reviewed the financial and management risk assessment record, which details the types of risk identified, the likelihood and impact of occurrence, assigns a perceived risk level, identifies who may be at risk, records mitigation measures in place and any actions required. This is a comprehensive approach and demonstrates that the council takes its risk management responsibilities seriously.

I confirmed that the council has a valid insurance policy in place with Hiscox in a long term agreement expiring in May 2025. The policy includes Public Liability and Employers Liability cover of £10 million each and a Fraud & Dishonesty (Fidelity Guarantee) cover level of £750,000. Based on the balances held by the council the Fidelity Guarantee level is currently sufficient, but the council should keep this under review to ensure it remains higher than the balance held at any point during the financial year.

D. BUDGET, PRECEPT AND RESERVES

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.

Audit findings

The council set a precept of £365,346 for 2023/24. With a tax base of 8,819.3, this equates to a band D equivalent of £41.43 (compared to the average in England of £79.35).

The Clerk confirmed that the 2024/25 budget setting process is underway, with each committee considering their element of the budget during the meetings held in September, before an initial draft was considered by the Finance & Administration committee at its meeting held on 12 October 2023. A further Finance & Administration meeting scheduled for 14 December 2023 will consider any changes and make a recommendation for approval at the council meeting scheduled for 11 January 2024.

A review of council agendas and associated background papers shows that there is regular reporting of financial information to council, including reviewing budget performance and approving lists of payments, as well as the more detailed explanations and narrative contained within the Clerk's report. This provides councillors with sufficient financial information to make informed decisions.

I reviewed the budget report as at the date of the interim audit, and expenditure is in line with expectations, demonstrating that the budget has been set at an appropriate level and is carefully monitored throughout the year.

The council holds circa £270,000 in earmarked reserves, with amounts split across a range of clearly identifiable projects. These amounts include receipts from Community Infrastructure Levy (CIL) which are broken down by date of receipt, enabling councillors to keep track of when the money should be spent.

At the time of the interim internal audit, the council held circa £223,000 in the general reserve.

The Joint Panel on Accountability and Governance (JPAG) Practitioner's guide states *'the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure'* (para 5.33). The general reserve balance is within the recommended range.

E. INCOME

Internal audit requirement

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

Audit findings

Apart from the precept, the council budgets to receive income from hall lettings from its buildings, burial fees, allotment rents, sports facility lettings, grants and bank interest. I was able to confirm that the council reviews its fees and charges regularly as part of the budget setting cycle, with a proposed set of charges currently being reviewed for agreement at the Finance & Administration committee meeting in December 2023.

From my review of the nominal ledger account, income is recorded with sufficient narrative to clearly identify the source, and I found no evidence of 'off-setting' of income against expenditure. I was able to confirm the full precept amount has been received and correctly allocated within the accounts.

A review of the sales ledger for 30 September 2023 shows a total of £10,024.52 outstanding, although most of this amount has been processed during the month and has been outstanding for less than 30 days. There are a handful of entries outstanding from August and one from July. When I questioned the Clerk about these, she was aware of the circumstances and confirmed that the outstanding amount for July has subsequently been paid in early October. It is clear the council has in place suitable measures for credit control.

F. PETTY CASH

Internal audit requirement

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

Audit findings

The council maintains a petty cash float with a maximum balance of £150 which is used for incidental expenditure. The amount of petty cash is inconsequential to the overall finances of the council.

I reviewed the spreadsheet entries for the period up to 24 September 2023 and confirmed that these were all for small items where the use of petty cash is appropriate. There are a handful of receipts in the petty cash folder yet to be added to the spreadsheet, but I am in no doubt that petty cash is managed appropriately.

G. PAYROLL

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.

Audit findings

There are eleven staff members in total, and information on the staffing structure and pay scales is published on the council website as part of the Local Government Transparency Code.

The council uses West Sussex County Council for processing payroll, who calculates the PAYE and pension deductions and makes the salary, HMRC and pension payments on behalf of the council, subsequently providing an invoice for reimbursement. I reviewed the payslips for August and July and the payroll deductions appear correct.

The Clerk is aware that only salary, HMRC and pension payments should be included in box 4 on the Annual Governance and Accountability Return (AGAR) and any other staff costs should be recorded in box 6.

There is a councillor allowance scheme in place, and I was able to confirm that councillors receive this allowance via payroll in accordance with the requirements of HMRC.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The council has a detailed fixed asset register in place, which includes a useful one-page summary to complement the more detailed inventory for each building/area.

The register includes a description of each asset, its date of acquisition, purchase value or proxy cost, estimated replacement value and insurance value. A check of the register to ensure it is up to date and matches the AGAR information will be completed at the year-end audit.

The council has a PWLB loan which was taken out for the Roffey Millennium Hall. Confirmation of the repayments and year-end balances will be checked at the year-end audit.

The council has no long-term investments.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation 2.2 states 'On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance Committee.'

Bank reconciliations are completed monthly for all cashbooks. I reviewed the reconciliations presented for the interim audit and was able to confirm the balances to the bank statements and found no errors.

I noted that the reconciliation and bank statement have been signed in accordance with the Financial Regulations and confirmation of this is evident within the minutes of the Finance and Administration committee meetings.

Due to the size of the council's budget, it does not receive any protection from the Financial Services Compensation Scheme (FSCS). The council has opened accounts with a range of providers to mitigate any risk as far as possible.

J. YEAR END ACCOUNTS

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.

Audit findings

Testing to be conducted at final audit.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")

Audit findings

The council did not certify itself exempt in 2022/23 due to exceeding the income and expenditure limits and this test does not apply.

L: PUBLICATION OF INFORMATION

Internal audit requirement

The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation

Audit findings

Testing to be conducted at final audit.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS**Internal audit requirement**

The authority has demonstrated that during summer 2022 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2022/23 Actual
Date AGAR signed by council	18 May 2023
Date inspection notice issued	2 June 2023
Inspection period begins	5 June 2023
Inspection period ends	14 July 2023
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

I am satisfied the requirements of this control objective were met for 2022/23, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

N: PUBLICATION REQUIREMENTS**Internal audit requirement**

The authority has complied with the publication requirements for 2022/23. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2023 authorities must publish:

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

Not later than 30 September 2023 authorities must publish:

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

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

Audit findings

I was able to confirm that the Notice of Public Rights is published on the council website along with the Notice of Conclusion of audit and External Auditor Report and I was able to confirm that the publication requirements for 2022/23 have been met.

O. TRUSTEESHIP**Internal audit requirement**

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

Audit findings

The council has no trusts.

Achievement of control assertions at interim audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives are summarised in the table below. A further review and update of this opinion will be conducted at the final audit.

	INTERNAL CONTROL OBJECTIVE	YES	NO	NOT COVERED
A	Appropriate accounting records have been properly kept throughout the financial year	√		
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	√		
C	This authority assesses the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	√		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	√		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	√		
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for	√		
G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	√		
H	Asset and investments registers were complete and accurate and properly maintained.	√		
I	Periodic bank account reconciliations were properly carried out during the year.	√		
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	To be tested at final audit		
K	If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			√
L	The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation	To be tested at final audit		
M	The authority, during the previous year (2022-23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	√		
N	The authority has complied with the publication requirements for 2022/23 AGAR.	√		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			√

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

Your final audit date has been booked for Thursday 25 April 2024 at 9am to be conducted remotely.

Yours sincerely



Andy Beams
For Mulberry & Co

Interim Audit - Points Carried Forward

Audit Point	Audit Findings	Council comments
None		



NORTH HORSHAM PARISH COUNCIL EMPLOYER PENSIONS DISCRETIONS POLICY

Adopted by the Council at its Meeting held on 13th January 2022

Reviewed ???????

EMPLOYER TABLE OF DISCRETIONS

North Horsham Parish Council elects not to publish any non-mandatory Pensions Discretions Policies but will give consideration to these at the appropriate time(s) having regard to a fully costed business case, the specific circumstances in each case and any previous decisions.

Regulation	Description of Discretion	Discretion Employed
<p><u>A</u> Regulations 16(2e) and 16(4d) of the LGPS Regulations 2013</p>	<p>How much and in what circumstances North Horsham Parish Council will contribute to a shared costs APC (Active Member Additional Pension) to purchase extra pension up to £6,822 per annum (Figures as at 1st April 2018) (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p>	<p>With regard to making contributions to a shared cost APC, North Horsham Parish Council will not normally make such contributions.</p> <p><i>Mandatory</i></p>
<p><u>B</u> Regulation 30(6) of the LGPS Regulations 2013 and Regulation 11(2) of the (Transitional Provisions and Savings) Regulations 2014</p> <p>Regulation 30(8) of the LGPS Regulations 2013</p>	<p>Whether all or some benefits can be paid if an employee reduces their hours or grade. (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p> <p>Flexible retirement and waiving of any actuarial reduction. (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p>	<p>With regard to flexible retirement, North Horsham Parish Council will consider each request on a case-by-case basis. The Parish Council's policy aims to help employees phase into their retirement. Partial/flexible retirement lets employees continue working on reduced hours or reduced grade basis and depending on when their membership of the LGPS commenced and draw all, part or none of their accrued pension benefits subject to certain qualifying criteria. To be eligible to make a request for Flexible Retirement under the LGPS Regulations, the employee must:</p> <ul style="list-style-type: none"> ➤ Be actively making contributions to the LGPS ➤ Be aged 55 or over ➤ Have two years or more membership in the LGPS ➤ Be taking at least a 20% reduction in your hours and/or your salary <p><i>Mandatory</i></p>

Regulation	Description of Discretion	Discretion Employed
<p>IC Regulation 30(8)</p> <p>Transitional Regulation Sch2 para 1(1)(c)</p> <p>Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 para 1(1)(c) & 1(2)</p> <p>Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 para 1(1)(f) & 1(2)</p> <p>Transitional Provisions, Savings and Amendment Regulations 2014 3(1), Sch2 para 2(1) and LGPS (Benefit, Membership and Contributions) Regulations 2007 30(5) and 30A(5)</p>	<p>Whether to waive, in whole or in part, the actuarial reduction to benefits which a member voluntarily draws before Normal Pension Age other than on flexible or ill-health retirement (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p> <p>Whether to switch on the 85-year rule for a member aged between 55 and 60 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill-health (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p> <p>Whether to switch on the 85-year rule for a member aged between 55 and 60 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill-health (applicable to members who left the Scheme between 1st April 2008 and 31st March 2014).</p> <p>Whether to switch on the 85-year rule for a member aged between 55 and 60 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill-health (applicable to members who left the Scheme between 1st April 1998 and 31st March 2008).</p> <p>Whether to waive any actuarial reduction on pre and/or post April 2014 benefits where retirements benefits are voluntarily drawn other than on the grounds of flexible or ill health retirement, dependent on date of birth/date joined Scheme (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards) :-</p>	<p>With regard to early payment of deferred benefits, North Horsham Parish Council will not normally pay these, or switch on the 85-year rule, except in exceptional and compelling compassionate grounds following consideration of a fully costed business case. Where benefits are taken early, they will normally be reduced to take into account early payment</p> <p><i>Mandatory.</i></p>

Regulation	Description of Discretion	Discretion Employed
<p>Transitional Provisions, Savings and Amendment Regulations 2014 3(1), Sch2 para 2(1) and LGPS (Benefit, Membership and Contributions) Regulations 2007 30(5) and 30A(5) cont...</p>	<p>Group 1 – Member joined before 01/10/06 and born before 01/04/56.</p> <p>Group 2 – Member joined before 01/10/06 born between 01/04/56 and 31/03/60 and meets the 85-year rule before 01/04/20.</p> <p>Group 3 – Member joined before 01/10/06 and is not a Group 1 or 2 member.</p> <p>Group 4 – Member joined after 01/10/06</p>	<p>(see above)</p>
<p>Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 para 2(1) and LGPS (Benefit, Membership and Contributions) Regulations 2007 30(5)</p>	<p>Whether to waive on compassionate grounds any actuarial reduction on deferred benefits where member left the scheme between 1st April 2008 and 31st March 2014 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill health retirement.</p>	
<p>LGPS Regulations 1997 31(2)</p>	<p>Grant an application from a post 31st March 1998/pre-1st April 2008 leaver for early payment of benefits on or after age 50 and before 55, not on the grounds of ill-health.</p>	
<p>LGPS Regulations 1997 31(5) and Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 2(1)</p>	<p>Whether to waive on compassionate grounds the actuarial reduction applied to benefits paid before 65 for a post 31 March 1988/pre-1st April 2014 leaver.</p>	
<p>LGPS Regulations 1995 D11(2)(C)</p>	<p>Whether to grant pre-1st April 1998 leavers early payment of their deferred benefits on or after age 50 and before NRD on compassionate grounds.</p>	

Regulation	Description of Discretion	Discretion Employed
<p><u>D</u> Regulation 31 of the LGPS Regulations 2013</p>	<p>Whether to grant additional pension of up to £7,026 per annum (as at 1st April 2019) to an active member or within six months of ceasing to be an active member by reason of redundancy or business efficiency (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p>	<p>In respect of redundancy and business efficiency, additional membership will only be used in exceptional and compelling circumstances and where there will be significant benefits to North Horsham Parish Council.</p> <p><i>Mandatory</i></p>