



Seaford Town Council

Seaford Town Council Finance & General Purposes Committee Agenda – 28th October 2021

To the Members of the Finance & General Purposes Committee

Councillors Brown (Chair), Payne (Vice Chair), Adil, Argent, Boorman, Cash, O Honeyman, R Honeyman, Meek, Reed and Wallraven.

A meeting of the **Finance & General Purposes Committee** will be held in the Council Chambers, 37 Church Street, Seaford, BN25 1HG on **Thursday, 28th October 2021** at **7.00pm**, which you are summoned to attend.


Adam Chugg, Town Clerk
20th October 2021

PLEASE NOTE:

- **Public attendance physically/in person at this meeting will be limited to 10 due to the size of the meeting space.**
- **The meeting will be video recorded and uploaded to the Town Council's YouTube channel after the meeting.**
- **See the end of the agenda for further details of public access and participation.**
- **All participants are encouraged to carry out a home Covid test before attending the meeting, wear a mask at the meeting (where able to do so) and ensure hands are sanitised upon entering.**

AGENDA

1. Apologies for Absence

To consider apologies for absence.

2. Disclosure of Interests

To deal with any disclosure by Members of any disclosable pecuniary interests and interests other than pecuniary interests, as defined under the Seaford Town Council Code of Conduct and the Localism Act 2011, in relation to matters on the agenda.

3. Public Participation

To deal with any questions, or brief representations, from members of the public physically in the meeting room, in accordance with relevant legislation and Seaford Town Council Policy.

4. Receipts, Payments and Bank Reconciliation Reports for July, August and September 2021

To consider report 106/21 advising the Committee of Receipts, Payments and Bank Reconciliations for July, August and September 2021 (pages 6 to 9).

5. Finance Report

To consider report 107/21 informing the Committee of the Income and Expenditure to 30th September 2021 and highlight significant variances from budget. (pages 10 to 25).

6. Internal Audit

To consider report 86/21 informing the Committee of the Internal Auditor's engagement letter and audit plan for 2021-2022 (pages 26 to 41).

7. Exclusion of the Press & Public

The Chair will move that in accordance with the Public Bodies (Admission to Meetings) Act 1960, the press and public be excluded from the meeting during the discussion on the next two items of business for the reasons as set out below.

The resolutions of the items will be recorded publicly in the minutes of this meeting.

The Proper Officer considers that discussion of the following items is likely to disclose exempt information as defined in the Local Government Act 1972 and Data Protection legislation and may therefore need to take place in private session. The exempt information reasons are shown alongside each item below.

Furthermore, in relation to paragraph 10 of Schedule 12A, it is considered that the public interest in maintaining exemption outweighs the public interest in disclosing the information.

8. Receipts Due for Payment EXEMPT

To consider exempt report 109/21 informing the Committee of unpaid receipts due on 30th September 2021 (exempt pages 1 to 4).

Reason for exemption: to progress confidential debtor matters.

Explanation of Reason: under Data Protection and Freedom of Information legislation, information about the financial arrangements and activities of a business or individual must remain confidential between the parties involved.

9. Unpaid Golf Direct Debits EXEMPT

To consider exempt report 110/21 informing the Committee of unpaid direct debit payments for golf season tickets (exempt pages 5 to 9).

Reason for exemption: to progress confidential debtor matters.

Explanation of Reason: under Data Protection legislation, information about the financial arrangements and activities of an individual must remain confidential between the parties involved.

AGENDA NOTES

For further information about items on this Agenda please contact:

Adam Chugg, Town Clerk, 37 Church Street, Seaford, East Sussex, BN25 1HG

Email: admin@seafordtowncouncil.gov.uk

Telephone: 01323 894 870 (*please note that due to working from home, this phone line is not currently manned, so please leave a voice message and this will be picked up and forwarded to the relevant member of staff to deal with*)

Circulation:

All Town Councillors, Young Mayor, Deputy Young Mayor and registered email recipients.

Public Access:

Members of the public looking to access this meeting will be able to do so by:

1. Attending the meeting in person.

Due to health and safety restrictions, the number of public in attendance will be limited to 10. The Town Council therefore asks that you contact

georgia.raeburn@seafordtowncouncil.gov.uk or 01323 894 870 to register your interest in attending at least 24 hours before the meeting.

Spaces will be assigned on a first come, first served basis.

Please note that if you don't register and just attempt to turn up at the meeting, this could result in you not being able to attend if there is no space.

OR

2. Watching the recording of the meeting on the [Town Council's YouTube channel](#) , which will be uploaded after the meeting has taken place.

Public Access to the Venue:

If you are attending the meeting in person, please arrive for 6.55pm where you will be shown into the meeting for a 7.00pm start.

Public Participation:

Members of the public looking to participate in the public participation section of the meeting must do so in person, by making a verbal statement during the public participation section of the meeting.

Below are some key points for public participation in the meeting:

1. Your statement should be regarding business on the agenda for that meeting.
2. You will only be able to speak at a certain point of the meeting; the Chair of the meeting will indicate when this is.
3. You do not have to state your name if you don't want to.
4. If you are unsure of when best to speak, either query this with an officer/councillor ahead of the meeting or raise your hand during the public participation item of the meeting and ask the Chair – they will always be happy to advise.
5. When the Chair has indicated that it is the part of the meeting that allows public participation, raise your hand and the Chair will invite you to speak in order.
6. Statements by members of the public are limited to four minutes and you don't automatically have the right to reply. The Chair may have to cut you short if you overrun on time or try to speak out of turn – this is just to ensure the meeting stays on track.
7. Where required, the Town Council will try to provide a response to your statement but if it is unable to do so at the meeting, may respond in writing following the meeting.
8. Members of the public should not speak at other points of the meeting.
9. A summarised version of your statement, but no personal details, will be recorded in the minutes of the meeting.

Public Comments:

Members of the public looking to submit comments on any item of business on the agenda can do so in writing ahead of the meeting and this will be circulated to all committee members. Comments can be submitted by email to admin@seafordtowncouncil.gov.uk or by post to the Town Council offices.

Covid-safety Measures:

While Covid restrictions are no longer mandated, in most situations, the Town Council wishes to stay vigilant and mindful of the health and safety of its meeting participants by continuing to observe the following:

1. Do not attend the meeting if you are displaying any Covid-19 symptoms; a high temperature, a new continuous cough or a loss or change to your sense of smell or taste (source [NHS website](#)); or if there is any reason to believe you have been in contact with someone with Covid-19.
2. You are encouraged to wear a mask at the meeting, in particular when moving around the venue.
3. The Town Council would encourage anyone attending the meeting in person to have carried out a rapid lateral flow coronavirus test before attending. These are tests taken at home, giving you an instant result, and ordered for free from the [Gov.uk website](#) or by calling 119 (open 7am to 11pm, calls are free).
4. If you test positive, do not attend the meeting; you will need to self-isolate immediately and follow the advice on the [NHS website](#).
5. Touch as few shared surfaces as possible when at the meeting and bring your own supplies (reusable water bottles, pens, tissues, copies of agendas etc).



Seaford Town Council

Report No:	106/21
Agenda Item No:	4
Committee:	Finance & General Purposes
Date:	28th October 2021
Title:	Receipts, Payments and Bank Reconciliation Reports for July, August and September 2021
By:	Lucy Clark, Finance Manager
Purpose of Report:	To advise the Committee of Receipts, Payments and Bank Reconciliations for July, August and September 2021.

Recommendations
The Finance & General Purposes Committee is recommended:
1.To note the contents of the report.

1. Information

- 1.1 In line with the Town Council's Financial Regulations, a councillor other than the Mayor shall be appointed to verify the bank reconciliations. The councillor shall sign the reconciliation and the original bank statement page as evidence of verification. This activity shall then on conclusion be reported, including any exceptions, to the Finance & General Purposes Committee to be noted.
- 1.2 The Chair of this Committee is the current appointed councillor and continues to view and verify that he is in agreement with the bank reconciliations already reconciled by the Finance Manager.
- 1.3 In line with the above, the bank statements for July and August 2021 have been viewed and verified by the Chairman of this committee. Hard copies are available on request.

- 1.4** The bank statements for September were only reconciled by the Finance Manager shortly before this agenda has been issued so they have yet to be verified by the Chair but are likely to have been completed by the date of the meeting.
- 1.5** Attached in Appendix A is a table showing the total receipts and payments for the months of July, August and September 2021.
- 1.6** Cashbooks and BACS pages detailing these transactions are available on request.
- 1.7** The Finance Manager continues to monitor the Cooperative current account ensuring that there are enough funds to cover monthly outgoings, drawing down as necessary from the CCLA account which can be organised on a day's notice provided there are two authorised signatories.
- 1.8** For clarity, the CCLA account has been set up in a way that monies within this account can only be transferred back and forth to the nominated Cooperative Account; any other type of payments from this account cannot be made.
- 1.9** The Town Council has funds in the Public Sector Deposit Fund (PSDF). Dividends are earned daily on funds with the CCLA and are paid at the end of each month into the Cooperative current account. A total of £130.11 dividends has been received since April 2021.
- 1.10** Since 1st April 2021, a total of £900,000 has been transferred into the CCLA account bringing the total to £1,425,000.00.
- 1.11** The Responsible Finance Officer (RFO) previously explained that there was the possibility of negative interest rates. Fortunately, this has not been the case and the interest rate has fluctuated slightly since April giving an average interest rate of 0.0241% over the last six months.
- 1.12** As previously reported, the PSDF is a low-risk fund with points to note:
 - a) Security (AAA rated)
 - b) Liquidity (same day / 1 day access)
 - c) Yield (above the market after management fees)
 - d) £1.3bn fund - £100m from Town & Parish Councils
 - e) £25,000 minimum investment
 - f) The only money market fund used by Town & Parish Councils


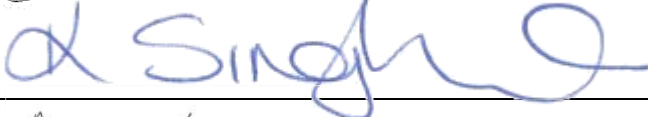
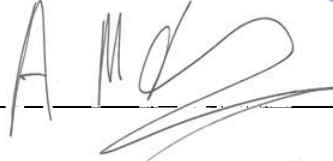
g) Current yield (as at 30th September) is 0.0229% net of management fees compared to zero / 0.01% with some other companies used by Principle Authorities.

2. Financial Appraisal

2.1 As of 30th September 2021, the actual monies held in the Cooperative current account were £175,445.94 along with £1,425,000.00 being held in the CCLA Account.

3. Contact Officer

3.1 The Contact Officer for this report is Lucy Clark, Finance Manager.

Finance Manager	
RFO	
Town Clerk	

Report 106-21 Appendix A

Co-Operative Bank Current Account

Month	B/F	Receipts (CR)	Payments (DR)	Balance to C/F
July	£ 176,164.99	£ 154,790.41	£ 147,017.83	£ 183,937.57
August	£ 183,937.57	£ 647,369.74	£ 154,671.90	£ 676,635.41
September	£ 676,635.41	£ 136,872.40	£ 592,579.43	£ 220,928.38

CCLA Investment Account

Month	B/F	CR (Transferred FROM Co-op Account)	DR (Transferred INTO Co-Op Account)	Balance to C/F
July	£ 1,025,000.00	£ -	£ -	£ 1,025,000.00
August	£ 1,025,000.00	£ -	£ -	£ 1,025,000.00
September	£ 1,025,000.00	£ 400,000.00	£ -	£ 1,425,000.00



Seaford Town Council

Report No:	107/21
Agenda Item No:	5
Committee:	Finance & General Purposes
Date:	28th October 2021
Title:	Finance Report
By:	Lucy Clark, Finance Manager
Purpose of Report:	To inform the Committee of the Income and Expenditure to 30th September 2021 and highlight significant variances from budget.

Recommendations
The Finance & General Purposes Committee is recommended:
1.To note the contents of the report.

1. Information

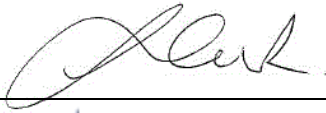

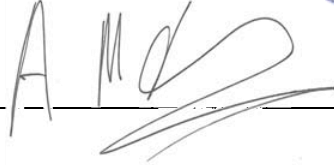
- 1.1 Attached in Appendix A is the detailed income and expenditure for the period of 1st April 2021 to 30th September 2021 for each committee compared to the annual budget.
- 1.2 Details for over/under performance of individual budgets is provided by the cost centre managers when reporting to the relevant committee.
- 1.3 With regards to the Finance & General Purposes (F&GP) Committee Income & Expenditure report, significant variances are reported in Appendix B.

2. Financial Appraisal

- 2.1 As at 30th September 2021 the F&GP budget percentage is broadly in line with the projected annual budget with actual spend of £257,665 being 45.8% of the budget. The income received of £1,006,824 shows as being 99% of the budget which is due to the all the precept having now been received.

3. Contact Officer

3.1 The Contact Officer for this report is Lucy Clark, Finance Manager.

Finance Manager	
RFO	
Town Clerk	

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
Community Services							
<u>105 Salts Recreation Ground</u>							
1025 Income Sponsorship	230	0	(230)			0.0%	230
1050 Income Rent	1,927	2,155	228			89.4%	
1051 Income Insurance Recharge	1,564	1,480	(84)			105.7%	
1055 Income Memorial Bench	20	0	(20)			0.0%	
1058 Income Water Recharge	0	4,525	4,525			0.0%	
1066 Income Concession	11,566	12,000	434			96.4%	
1073 Sports Pitch Hire & Green Fees	4,366	2,000	(2,366)			218.3%	
1095 Income Tennis Courts	0	6,000	6,000			0.0%	
Salts Recreation Ground :- Income	19,673	28,160	8,487			69.9%	230
4052 Water & Sewerage	(3,350)	8,420	11,770		11,770	(39.8%)	
4055 Electricity	91	300	209		209	30.4%	
4095 Tennis Court Expenditure	0	6,000	6,000		6,000	0.0%	
4096 LTA Loan	0	7,010	7,010		7,010	0.0%	
4100 Telecommunications	131	250	119		119	52.4%	
4115 Insurance	3,516	3,690	174		174	95.3%	
4250 Memorial Bench	(71)	0	71		71	0.0%	
4251 Dog Bin Emptying	937	2,000	1,063		1,063	46.9%	
4252 Additional Litter Pick	0	1,000	1,000		1,000	0.0%	
4260 Grounds Maintenance Contract	32,380	69,635	37,255		37,255	46.5%	
4261 Grounds Maint non contract	5,103	6,000	897		897	85.1%	
4275 Building Maintenance	1,095	3,000	1,905		1,905	36.5%	
Salts Recreation Ground :- Indirect Expenditure	39,833	107,305	67,472	0	67,472	37.1%	0
Net Income over Expenditure	(20,161)	(79,145)	(58,984)				
6001 less Transfer to EMR	230						
Movement to/(from) Gen Reserve	(20,391)						
<u>106 Crouch Recreation Ground</u>							
1050 Income Rent	1,219	2,550	1,331			47.8%	
1051 Income Insurance Recharge	565	635	70			88.9%	
1053 Income Grants	12,800	0	(12,800)			0.0%	
1055 Income Memorial Bench	2,600	0	(2,600)			0.0%	
1058 Income Water Recharge	(2,000)	3,000	5,000			(66.7%)	
1073 Sports Pitch Hire & Green Fees	7,246	6,500	(746)			111.5%	
Crouch Recreation Ground :- Income	22,430	12,685	(9,745)			176.8%	0
4052 Water & Sewerage	(1,638)	5,100	6,738		6,738	(32.1%)	

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4115 Insurance	772	880	108		108	87.7%	
4250 Memorial Bench	1,103	0	(1,103)		(1,103)	0.0%	
4251 Dog Bin Emptying	670	1,375	705		705	48.7%	
4260 Grounds Maintenance Contract	19,918	34,890	14,972		14,972	57.1%	
4261 Grounds Maint non contract	703	5,000	4,297		4,297	14.1%	
4275 Building Maintenance	17,886	500	(17,386)		(17,386)	3577.1%	5,000
Crouch Recreation Ground :- Indirect Expenditure	39,413	47,745	8,332	0	8,332	82.5%	5,000
Net Income over Expenditure	(16,983)	(35,060)	(18,077)				
6000 plus Transfer from EMR	5,000						
Movement to/(from) Gen Reserve	(11,983)						
<u>107 Martello Fields</u>							
1050 Income Rent	9,251	5,000	(4,251)			185.0%	
Martello Fields :- Income	9,251	5,000	(4,251)			185.0%	0
4115 Insurance	6	10	4		4	57.8%	
4251 Dog Bin Emptying	536	1,100	564		564	48.7%	
4260 Grounds Maintenance Contract	7,322	16,200	8,878		8,878	45.2%	
4261 Grounds Maint non contract	1,584	3,000	1,416		1,416	52.8%	
Martello Fields :- Indirect Expenditure	9,448	20,310	10,862	0	10,862	46.5%	0
Net Income over Expenditure	(197)	(15,310)	(15,113)				
<u>108 Other Open Spaces</u>							
1025 Income Sponsorship	230	0	(230)			0.0%	230
1050 Income Rent	90	90	0			100.0%	
1053 Income Grants	942	0	(942)			0.0%	
1055 Income Memorial Bench	1,500	0	(1,500)			0.0%	
1066 Income Concession	507	0	(507)			0.0%	
1072 Income Trees for Seaford	117	0	(117)			0.0%	117
Other Open Spaces :- Income	3,387	90	(3,297)			3762.8%	347
4018 Water Refill Maint	45	0	(45)		(45)	0.0%	45
4052 Water & Sewerage	336	310	(26)		(26)	108.4%	
4115 Insurance	33	0	(33)		(33)	0.0%	
4154 Land Registry Fees	0	60	60		60	0.0%	
4250 Memorial Bench	1,241	0	(1,241)		(1,241)	0.0%	
4251 Dog Bin Emptying	1,071	2,200	1,129		1,129	48.7%	
4260 Grounds Maintenance Contract	14,004	23,645	9,641		9,641	59.2%	
4261 Grounds Maint non contract	1,775	6,500	4,725		4,725	27.3%	

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4262 Trees for Seaford	1,601	0	(1,601)		(1,601)	0.0%	1,601
4275 Building Maintenance	1,442	500	(942)		(942)	288.4%	
Other Open Spaces :- Indirect Expenditure	21,548	33,215	11,667	0	11,667	64.9%	1,646
Net Income over Expenditure	(18,162)	(33,125)	(14,963)				
6000 plus Transfer from EMR	1,646						
6001 less Transfer to EMR	347						
Movement to/(from) Gen Reserve	(16,864)						
<u>113 Crypt</u>							
1051 Income Insurance Recharge	269	380	111			70.8%	
Crypt :- Income	269	380	111			70.8%	0
4115 Insurance	269	380	111		111	70.8%	
4275 Building Maintenance	0	500	500		500	0.0%	
Crypt :- Indirect Expenditure	269	880	611	0	611	30.6%	0
Net Income over Expenditure	0	(500)	(500)				
<u>114 South Street</u>							
4275 Building Maintenance	676	1,000	324		324	67.6%	
South Street :- Indirect Expenditure	676	1,000	324	0	324	67.6%	0
Net Expenditure	(676)	(1,000)	(324)				
<u>115 Martello Tower</u>							
4115 Insurance	1,692	1,745	53		53	97.0%	
4275 Building Maintenance	130	4,000	3,870		3,870	3.3%	
Martello Tower :- Indirect Expenditure	1,822	5,745	3,923	0	3,923	31.7%	0
Net Expenditure	(1,822)	(5,745)	(3,923)				
<u>116 Seaford Head Estate</u>							
1011 Income Filming	36,020	15,000	(21,020)			240.1%	
1050 Income Rent	11,295	10,000	(1,295)			112.9%	
1053 Income Grants	0	3,250	3,250			0.0%	
1054 Income Other	325	600	275			54.1%	
1066 Income Concession	1,550	3,300	1,750			47.0%	
1200 Income Nature Reserve	430	0	(430)			0.0%	
Seaford Head Estate :- Income	49,619	32,150	(17,469)			154.3%	0

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4115 Insurance	418	880	462		462	47.5%	
4199 Other Expenditure	712	1,200	488		488	59.3%	
4251 Dog Bin Emptying	536	1,100	564		564	48.7%	
4260 Grounds Maintenance Contract	864	2,000	1,136		1,136	43.2%	
4261 Grounds Maint non contract	1,994	3,000	1,006		1,006	66.5%	
4275 Building Maintenance	120	1,000	880		880	12.0%	
4500 Nature Reserve Expenses	14,091	16,200	2,109		2,109	87.0%	
4501 Filming Expenses	2,480	3,000	520		520	82.7%	
Seaford Head Estate :- Indirect Expenditure	21,215	28,380	7,165	0	7,165	74.8%	0
Net Income over Expenditure	28,405	3,770	(24,635)				
<u>117 Seaford</u>							
1011 Income Filming	2,000	0	(2,000)			0.0%	
1025 Income Sponsorship	710	0	(710)			0.0%	710
1057 Income Electricity Recharge	1,337	3,000	1,663			44.6%	
1058 Income Water Recharge	0	100	100			0.0%	
1066 Income Concession	53,120	41,820	(11,300)			127.0%	
1078 Income Entertainment Area	4,800	0	(4,800)			0.0%	
1084 Income Promenade	178	150	(28)			118.4%	
Seaford :- Income	62,144	45,070	(17,074)			137.9%	710
4018 Water Refill Maint	115	0	(115)		(115)	0.0%	115
4052 Water & Sewerage	(4)	500	504		504	(0.8%)	
4055 Electricity	1,337	3,000	1,663		1,663	44.6%	
4115 Insurance	913	955	42		42	95.6%	
4155 Professional Fees	0	1,000	1,000		1,000	0.0%	
4250 Memorial Bench	180	0	(180)		(180)	0.0%	
4253 Shelters	921	2,500	1,579		1,579	36.8%	
4254 Martello Entertainments Area	330	0	(330)		(330)	0.0%	
4255 The Shoal Expenditure	0	500	500		500	0.0%	
4261 Grounds Maint non contract	1,656	7,000	5,344		5,344	23.7%	
4270 Vehicles & Equipment Maint	0	100	100		100	0.0%	
4275 Building Maintenance	1,286	2,000	714		714	64.3%	
4301 Public Works Loan Payment	0	22,000	22,000		22,000	0.0%	
4501 Filming Expenses	400	0	(400)		(400)	0.0%	
Seaford :- Indirect Expenditure	7,134	39,555	32,421	0	32,421	18.0%	115
Net Income over Expenditure	55,011	5,515	(49,496)				
6000 plus Transfer from EMR	115						
6001 less Transfer to EMR	710						
Movement to/(from) Gen Reserve	54,416						

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
118 Beach Huts							
1019 Rechargeable Income	930	0	(930)			0.0%	
1054 Income Other	183	0	(183)			0.0%	
1057 Income Electricity Recharge	120	100	(20)			120.0%	
1060 Beach Huts Site Licence	26,823	24,455	(2,368)			109.7%	
1061 Beach Hut Annual Rent	13,530	15,195	1,665			89.0%	
1066 Income Concession	4,245	6,240	1,995			68.0%	
1094 Income Seasonal Beach Huts	15,975	0	(15,975)			0.0%	
Beach Huts :- Income	61,806	45,990	(15,816)			134.4%	0
4019 Rechargeable Expenditure	880	0	(880)		(880)	0.0%	
4021 Electricity Top Up Cards	0	100	100		100	0.0%	
4051 Rates	2,562	5,140	2,579		2,579	49.8%	
4055 Electricity	124	0	(124)		(124)	0.0%	
4110 Advertising & Publicity	0	1,000	1,000		1,000	0.0%	
4115 Insurance	1,028	1,215	187		187	84.6%	
4258 Seasonal Beach Hut Revenue Exp	10,536	2,000	(8,536)		(8,536)	526.8%	
4275 Building Maintenance	283	3,000	2,717		2,717	9.4%	
Beach Huts :- Indirect Expenditure	15,413	12,455	(2,958)	0	(2,958)	123.8%	0
Net Income over Expenditure	46,393	33,535	(12,858)				
119 Old Town Hall							
1050 Income Rent	855	1,275	420			67.1%	
1051 Income Insurance Recharge	160	200	40			80.2%	
Old Town Hall :- Income	1,016	1,475	459			68.9%	0
4115 Insurance	160	200	40		40	80.2%	
4275 Building Maintenance	0	2,000	2,000		2,000	0.0%	
Old Town Hall :- Indirect Expenditure	160	2,200	2,040	0	2,040	7.3%	0
Net Income over Expenditure	855	(725)	(1,580)				
121 Seaford in Bloom							
1054 Income Other	417	415	(2)			100.4%	
Seaford in Bloom :- Income	417	415	(2)			100.4%	0
4402 Seaford in Bloom	4,976	5,000	24		24	99.5%	
Seaford in Bloom :- Indirect Expenditure	4,976	5,000	24	0	24	99.5%	0
Net Income over Expenditure	(4,559)	(4,585)	(26)				

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>125 Allotments</u>							
1050 Income Rent	1,019	1,035	16			98.4%	
Allotments :- Income	<u>1,019</u>	<u>1,035</u>	<u>16</u>			<u>98.4%</u>	<u>0</u>
4261 Grounds Maint non contract	0	500	500		500	0.0%	
Allotments :- Indirect Expenditure	<u>0</u>	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>	<u>0.0%</u>	<u>0</u>
Net Income over Expenditure	<u>1,019</u>	<u>535</u>	<u>(484)</u>				
<u>130 Other Recreation</u>							
4410 Swimming Pool	0	10,000	10,000		10,000	0.0%	
Other Recreation :- Indirect Expenditure	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0.0%</u>	<u>0</u>
Net Expenditure	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>				
<u>134 CCTV</u>							
4055 Electricity	702	2,550	1,848		1,848	27.5%	
4115 Insurance	336	400	64		64	84.0%	
4276 CCTV	4,049	9,000	4,951		4,951	45.0%	
CCTV :- Indirect Expenditure	<u>5,087</u>	<u>11,950</u>	<u>6,863</u>	<u>0</u>	<u>6,863</u>	<u>42.6%</u>	<u>0</u>
Net Expenditure	<u>(5,087)</u>	<u>(11,950)</u>	<u>(6,863)</u>				
<u>135 Community Service Other</u>							
1070 Armed Forces Day Income	0	2,000	2,000			0.0%	
1075 Income Christmas Event	0	7,210	7,210			0.0%	
Community Service Other :- Income	<u>0</u>	<u>9,210</u>	<u>9,210</u>			<u>0.0%</u>	<u>0</u>
4115 Insurance	52	60	8		8	86.2%	
4195 Events Expenditure	0	1,000	1,000		1,000	0.0%	
4273 Christmas Lights	6,445	15,000	8,555		8,555	43.0%	
4281 Christmas Event Expenses	0	10,300	10,300		10,300	0.0%	
4282 Armed Forces Day Expenditure	170	2,000	1,830		1,830	8.5%	
Community Service Other :- Indirect Expenditure	<u>6,667</u>	<u>28,360</u>	<u>21,693</u>	<u>0</u>	<u>21,693</u>	<u>23.5%</u>	<u>0</u>
Net Income over Expenditure	<u>(6,667)</u>	<u>(19,150)</u>	<u>(12,483)</u>				
<u>225 Projects Pool</u>							
1014 CIL & S106 Receipts	7,639	0	(7,639)			0.0%	7,639
1016 Beach Hut Sales	37,000	0	(37,000)			0.0%	37,000
1053 Income Grants	1,000	400,000	399,000			0.3%	
Projects Pool :- Income	<u>45,639</u>	<u>400,000</u>	<u>354,361</u>			<u>11.4%</u>	<u>44,639</u>

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4257 Seafront Improvement Plan	0	50,000	50,000		50,000	0.0%	
4274 Projects Expenditure	0	2,000	2,000		2,000	0.0%	
4420 Bonn BH Capital Expenditure	1,280	0	(1,280)		(1,280)	0.0%	1,280
4421 Martello Toilets Capital Costs	7,198	400,000	392,803		392,803	1.8%	7,198
4423 Salts Development Plan	0	20,000	20,000		20,000	0.0%	
4424 South Hill Barn Development	925	5,000	4,075		4,075	18.5%	
Projects Pool :- Indirect Expenditure	9,402	477,000	467,598	0	467,598	2.0%	8,478
Net Income over Expenditure	36,236	(77,000)	(113,236)				
6000 plus Transfer from EMR	8,478						
6001 less Transfer to EMR	44,639						
Movement to/(from) Gen Reserve	75						
<u>301 Planning & Highways</u>							
4263 Bus Shelter Maintenance/Clean	150	1,500	1,350		1,350	10.0%	
4451 Twitten Naming	0	1,000	1,000		1,000	0.0%	
Planning & Highways :- Indirect Expenditure	150	2,500	2,350	0	2,350	6.0%	0
Net Expenditure	(150)	(2,500)	(2,350)				
Community Services :- Income	276,669	581,660	304,991			47.6%	
Expenditure	183,214	834,100	650,886	0	650,886	22.0%	
Net Income over Expenditure	93,455	(252,440)	(345,895)				
plus Transfer from EMR	15,238						
less Transfer to EMR	45,926						
Movement to/(from) Gen Reserve	62,767						
Finance & General Purposes							
<u>201 Administration</u>							
1053 Income Grants	(0)	0	0			0.0%	
1054 Income Other	100	100	0			100.0%	
1059 Income Photocopying	20	0	(20)			0.0%	
1062 Income Telephone Recharge	278	570	292			48.7%	
1176 Precept	984,150	984,150	0			100.0%	
1190 Interest Received	106	1,000	894			10.6%	
Administration :- Income	984,654	985,820	1,166			99.9%	0
4000 Salaries & Wages	154,146	316,925	162,779		162,779	48.6%	
4001 Employers NI	12,826	26,340	13,514		13,514	48.7%	

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4002 Employers Superannuation	26,880	56,425	29,545		29,545	47.6%	
4009 Recruitment Costs	27	1,000	973		973	2.7%	
4010 Staff Training	1,010	4,000	2,990		2,990	25.3%	
4012 Staff Expenses	0	800	800		800	0.0%	
4015 Office Refreshments	0	400	400		400	0.0%	
4100 Telecommunications	1,827	4,750	2,923		2,923	38.5%	
4105 Postage	16	400	384		384	4.1%	
4106 Stationery	548	1,800	1,252		1,252	30.5%	
4107 Photocopier	519	1,900	1,381		1,381	27.3%	
4108 Recycling & Shredding	0	210	210		210	0.0%	
4110 Advertising & Publicity	0	1,500	1,500		1,500	0.0%	
4112 Subscriptions	4,693	5,500	807		807	85.3%	
4113 Software Support	6,789	9,500	2,711		2,711	71.5%	
4114 Licence Fee	0	55	55		55	0.0%	
4115 Insurance	1,721	2,000	279		279	86.0%	
4116 Web Site	718	1,000	282		282	71.8%	
4154 Land Registry Fees	6	100	94		94	6.0%	
4155 Professional Fees	0	15,000	15,000		15,000	0.0%	
4156 Bank Charges	523	1,500	977		977	34.9%	
4157 Audit Fees	(120)	3,000	3,120		3,120	(4.0%)	
4182 Catering & Hospitality	0	100	100		100	0.0%	
4199 Other Expenditure	0	3,000	3,000		3,000	0.0%	
4272 Office Furniture & Equipment	128	2,000	1,872		1,872	6.4%	
Administration :- Indirect Expenditure	212,257	459,205	246,948	0	246,948	46.2%	0
Net Income over Expenditure	772,396	526,615	(245,781)				
<u>205 Premises - Church Street</u>							
1050 Income Rent	4,672	7,610	2,938			61.4%	
Premises - Church Street :- Income	4,672	7,610	2,938			61.4%	0
4050 Rent payable	9,890	20,375	10,485		10,485	48.5%	
4051 Rates	4,969	8,695	3,726		3,726	57.1%	
4059 Church Street Service Charges	3,323	18,000	14,677		14,677	18.5%	
4115 Insurance	4	5	1		1	74.0%	
4201 Cleaning & Hygiene	0	300	300		300	0.0%	
4270 Vehicles & Equipment Maint	142	350	208		208	40.7%	
4275 Building Maintenance	100	1,000	900		900	10.0%	
4903 Term Maintenance	0	500	500		500	0.0%	
Premises - Church Street :- Indirect Expenditure	18,428	49,225	30,797	0	30,797	37.4%	0
Net Income over Expenditure	(13,756)	(41,615)	(27,859)				

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>206 Premises - Hurdis House</u>							
1050 Income Rent	17,113	23,270	6,157			73.5%	
1051 Income Insurance Recharge	386	425	39			90.7%	
Premises - Hurdis House :- Income	17,498	23,695	6,197			73.8%	0
4115 Insurance	398	425	27		27	93.8%	
4155 Professional Fees	0	5,000	5,000		5,000	0.0%	
4301 Public Works Loan Payment	7,501	15,005	7,504		7,504	50.0%	
Premises - Hurdis House :- Indirect Expenditure	7,900	20,430	12,530	0	12,530	38.7%	0
Net Income over Expenditure	9,599	3,265	(6,334)				
<u>210 Civic Expenses</u>							
4013 Members Expenses	15	150	135		135	9.9%	
4014 Member Training	0	1,000	1,000		1,000	0.0%	
4106 Stationery	0	500	500		500	0.0%	
4113 Software Support	1,185	3,500	2,315		2,315	33.9%	
4115 Insurance	197	240	43		43	82.0%	
4180 Room Hire	3,239	0	(3,239)		(3,239)	0.0%	
4181 Civic - Mayors Allowance	261	1,000	739		739	26.1%	
4182 Catering & Hospitality	0	500	500		500	0.0%	
4183 Civic - Awards	(94)	250	344		344	(37.7%)	
4184 Civic - other	93	150	58		58	61.7%	
4188 Town Crier Expenses	35	250	215		215	14.0%	
4189 Young Mayor	100	250	150		150	40.0%	
4190 Election Costs	0	6,500	6,500		6,500	0.0%	
Civic Expenses :- Indirect Expenditure	5,031	14,290	9,260	0	9,260	35.2%	0
Net Expenditure	(5,031)	(14,290)	(9,260)				
<u>215 Grants</u>							
4401 Grants	14,050	15,000	950		950	93.7%	
4406 SFA-CAB	0	5,000	5,000		5,000	0.0%	
Grants :- Indirect Expenditure	14,050	20,000	5,950	0	5,950	70.2%	0
Net Expenditure	(14,050)	(20,000)	(5,950)				
Finance & General Purposes :- Income	1,006,824	1,017,125	10,301			99.0%	
Expenditure	257,665	563,150	305,485	0	305,485	45.8%	
Movement to/(from) Gen Reserve	749,159						

Golf Course and The View

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>101 Golf Course</u>							
1000 Golf Course Season Ticket	192,082	170,000	(22,082)			113.0%	
1001 Golf Course Green Fees M-F	102,770	82,000	(20,770)			125.3%	
1002 Golf Course Green Fees w/eb/h	63,969	71,300	7,331			89.7%	
1003 Golf Course Specials	47,842	72,400	24,558			66.1%	
1004 Golf Course Locker	982	1,100	118			89.3%	
1007 Golf Course Air Traffic	5,625	7,500	1,875			75.0%	
1050 Income Rent	0	85	85			0.0%	
1054 Income Other	771	650	(121)			118.6%	
1077 Income Sale Equipment	3,100	3,000	(100)			103.3%	
1311 Buggy Hire	12,425	17,500	5,075			71.0%	
Golf Course :- Income	429,566	425,535	(4,031)			100.9%	0
4000 Salaries & Wages	48,144	98,285	50,141		50,141	49.0%	
4001 Employers NI	4,203	8,715	4,512		4,512	48.2%	
4002 Employers Superannuation	6,405	17,080	10,675		10,675	37.5%	
4009 Recruitment Costs	0	500	500		500	0.0%	
4010 Staff Training	433	2,000	1,567		1,567	21.6%	
4011 Staff Protective Clothing	1,231	1,250	19		19	98.5%	
4015 Office Refreshments	0	280	280		280	0.0%	
4041 Golf Professional Retainer	22,917	55,000	32,083		32,083	41.7%	
4045 Golf Course Player Costs	623	1,000	377		377	62.3%	
4046 Golf Club Membership Fees	14,520	14,300	(220)		(220)	101.5%	
4051 Rates	1,322	21,355	20,033		20,033	6.2%	
4052 Water & Sewerage	86	1,000	914		914	8.6%	
4060 Refuse	125	350	225		225	35.7%	
4100 Telecommunications	340	750	410		410	45.3%	
4105 Postage	0	50	50		50	0.0%	
4106 Stationery	349	350	1		1	99.8%	
4110 Advertising & Publicity	0	500	500		500	0.0%	
4112 Subscriptions	490	500	10		10	98.0%	
4113 Software Support	1,264	1,935	671		671	65.3%	
4114 Licence Fee	75	75	0		0	100.0%	
4115 Insurance	8,630	9,785	1,155		1,155	88.2%	
4116 Web Site	72	75	3		3	96.0%	
4155 Professional Fees	0	5,000	5,000		5,000	0.0%	
4156 Bank Charges	3,401	4,500	1,099		1,099	75.6%	
4201 Cleaning & Hygiene	20	500	480		480	4.0%	
4251 Dog Bin Emptying	643	1,325	682		682	48.5%	
4261 Grounds Maint non contract	22,966	37,000	14,034		14,034	62.1%	
4270 Vehicles & Equipment Maint	8,029	15,000	6,971		6,971	53.5%	

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4271 Vehicle & Equipment Lease	68,237	66,850	(1,387)		(1,387)	102.1%	
4272 Office Furniture & Equipment	0	8,500	8,500		8,500	0.0%	
4275 Building Maintenance	0	1,200	1,200		1,200	0.0%	
4276 CCTV	0	200	200		200	0.0%	
4279 Fire & Security	450	1,000	550		550	45.0%	
4308 Rent - Shop, Locker & Chng Rms	25,000	50,000	25,000		25,000	50.0%	
4309 Buggy Lease & Maintenance	3,522	8,000	4,478		4,478	44.0%	
Golf Course :- Indirect Expenditure	243,497	434,210	190,713	0	190,713	56.1%	0
Net Income over Expenditure	186,070	(8,675)	(194,745)				
103 The View							
1050 Income Rent	500	1,000	500			50.0%	
1053 Income Grants	24,696	0	(24,696)			0.0%	
1091 Income Building Maintenance	305	0	(305)			0.0%	
1305 Income Hire Pro-Shop & Chg Rms	25,000	50,000	25,000			50.0%	
1306 Income Golf Club Room Hires	340	0	(340)			0.0%	
1307 Income Bar Sales	72,235	120,000	47,765			60.2%	
1308 Income Food Sales	113,215	240,000	126,785			47.2%	
1310 Income - Society Food	23,500	16,000	(7,500)			146.9%	
1312 Function Food Sales	24,332	0	(24,332)			0.0%	
1313 Function Bar Sales	955	0	(955)			0.0%	
1316 Events Income - The View	22	0	(22)			0.0%	
1318 Income The View Kiosk	674	0	(674)			0.0%	
The View :- Income	285,773	427,000	141,227			66.9%	0
4000 Salaries & Wages	107,002	219,660	112,658		112,658	48.7%	
4001 Employers NI	6,677	16,180	9,503		9,503	41.3%	
4002 Employers Superannuation	8,187	22,070	13,883		13,883	37.1%	
4003 Sub-contracted Staff	2,165	4,000	1,835		1,835	54.1%	
4009 Recruitment Costs	1,083	0	(1,083)		(1,083)	0.0%	
4010 Staff Training	30	1,000	970		970	3.0%	
4012 Staff Expenses	0	150	150		150	0.0%	
4016 Staff Uniform	16	100	84		84	15.8%	
4017 Timesheet & Rota Software	206	220	14		14	93.5%	
4051 Rates	425	6,865	6,440		6,440	6.2%	
4052 Water & Sewerage	973	4,900	3,927		3,927	19.9%	
4055 Electricity	7,237	19,500	12,263		12,263	37.1%	
4056 Gas	1,587	5,000	3,413		3,413	31.7%	
4060 Refuse	1,695	3,500	1,805		1,805	48.4%	
4100 Telecommunications	1,451	3,000	1,549		1,549	48.4%	

Detailed Income & Expenditure by Budget Heading 30/09/2021

Month No: 6

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4105 Postage	0	100	100		100	0.0%	
4106 Stationery	445	1,000	555		555	44.5%	
4110 Advertising & Publicity	1,182	5,000	3,818		3,818	23.6%	
4112 Subscriptions	75	75	0		0	100.0%	
4113 Software Support	623	1,100	477		477	56.6%	
4114 Licence Fee	840	1,000	160		160	84.0%	
4115 Insurance	3,100	3,920	820		820	79.1%	
4116 Web Site	46	220	174		174	20.8%	
4156 Bank Charges	2,105	5,000	2,895		2,895	42.1%	
4196 Events Expenditure - The View	92	0	(92)		(92)	0.0%	
4201 Cleaning & Hygiene	8,316	15,000	6,684		6,684	55.4%	
4202 Linen Cleaning	690	600	(90)		(90)	114.9%	
4270 Vehicles & Equipment Maint	1,065	2,000	935		935	53.2%	
4272 Office Furniture & Equipment	1,662	1,000	(662)		(662)	166.2%	
4275 Building Maintenance	3,594	3,000	(594)		(594)	119.8%	
4276 CCTV	196	500	304		304	39.2%	
4279 Fire & Security	664	1,500	837		837	44.2%	
4301 Public Works Loan Payment	52,488	105,000	52,512		52,512	50.0%	
4303 Food Expenditure	53,069	96,000	42,931		42,931	55.3%	
4304 Bar Expenditure	28,738	42,000	13,262		13,262	68.4%	
4306 Catering Utensils & Equip	84	1,000	916		916	8.4%	
4307 Bar Utensils & Equip	0	250	250		250	0.0%	
4311 Pest Control	921	850	(71)		(71)	108.3%	
4313 Stock Take	250	2,200	1,950		1,950	11.4%	
4314 Cost of Card Top Up Incentives	1,777	3,000	1,223		1,223	59.2%	
4315 The View Kiosk Expenditure	150	0	(150)		(150)	0.0%	
4903 Term Maintenance	120	2,000	1,880		1,880	6.0%	
The View :- Indirect Expenditure	301,024	599,460	298,436	0	298,436	50.2%	0
Net Income over Expenditure	(15,251)	(172,460)	(157,209)				
Golf Course and The View :- Income	715,340	852,535	137,195			83.9%	
Expenditure	544,521	1,033,670	489,149	0	489,149	52.7%	
Movement to/(from) Gen Reserve	170,819						
Grand Totals:- Income	1,998,833	2,451,320	452,487			81.5%	
Expenditure	985,401	2,430,920	1,445,519	0	1,445,519	40.5%	
Net Income over Expenditure	1,013,432	20,400	(993,032)				
plus Transfer from EMR	15,238						
less Transfer to EMR	45,926						
Movement to/(from) Gen Reserve	982,744						

Finance & General Purposes Committee Variance Reporting

28/10/2021

		Previously Reported	Current Update
201	Administration		
1176	Precept	21.07.21 - The Precept cost centre has been moved to 201 so now shows within this Committee. The first half was received in April with the 2nd half due in September.	28.10.21 - The Precept has now been received in full and which £400,000 has been moved to the CCLA Deposit account.
1190	Interest Received	21.07.21 - The interest received is much lower than budgeted due to interest rates plummeting since the budget was set. It is likely to only achieve around 15% of the budgeted income this year.	As previously reported
4105	Postage		28.10.21 - The cost to date is minimal largely due to not working in the office along with a credit on the Pitney Bowes account which has reduced the need to pay for top ups. It is estimated that only half this budget will be spent this year.
4110	Advertising & Publicity		28.10.21 - The budget is largely for the Council Tax Leaflets which will be spent early in 2022.
4111	Office Purchased DNU		28.10.21 - This cost centre is no longer being used with the existing costs of £25 being transferred to 4272.
4112	Subscriptions	21.07.21 - This account code shows a high % of expenditure due to most subscription costs being paid out in the first couple of months of the financial year.	As previously reported
4113	Software Support	21.07.21 - This account code shows a high % of expenditure due to the annual Schools ICT costs which are paid in April each year.	As previously reported
4115	Insurance	21.07.21 - The insurance costs show a high % of expenditure as all of this is charged in April. It is likely that a saving will be made in this account by the year end.	As previously reported

		Previously Reported	Current Update
4157	Audit Fees	21.07.21 - This account is showing a credit due to the accrual from the previous year. We do not receive the External Audit fees for 20/21 until September.	28.10.21 - The fees for the Internal & External Audit for 20/21 have now been paid leaving a credit of £120 where the internal audit fee was less than the predicted accrual. There will be further fees to come out for the interim internal audit fee due in December which will then start to use this year's budget.
210	Civic Expenses		
4180	Room Hire	21.07.21 - This account shows unbudgeted costs that relate to the venue hire and related costs that had to be spent to enable the Town Council to conduct its meetings within the legal requirements following the the change in law in May.	As previously reported
4183	Civic - Awards	21.07.21 - This account is showing a credit due to the accrual from the previous year.	As previously reported
4190	Election Costs		28.10.21 - The invoice for the May by-election is due in November/December when most of this budget will be spent.
215	Grants		
4401	Grants		28.10.21 - Of the remaining £950, £864 is yet to be awarded to the Cricket Club. A balance of £86 will remain at the year end.
4406	SFA-CAB		28.10.21 - This amount is due to be spent in the next few weeks once the CAB's Service Level Agreement has been finalised.



Seaford Town Council

Report No:	86/21
Agenda Item No:	6
Committee:	Finance & General Purposes Committee (F&GP)
Date:	28th October 2021
Title:	Internal Audit
By:	Karen Singleton, Responsible Financial Officer (RFO)
Purpose of Report:	To inform the Committee of the Internal Auditor's engagement letter and audit plan for 2021-2022

Recommendations
The Finance & General Purposes Committee is recommended:
1. To note the report

1. Information

- 1.1 The Town Council's Internal Auditor, Mulberry & Co, have accepted the Town Council's instructions to carry out the internal audit of the Town Council for 2021-2022.
- 1.2 The engagement letter is attached as Appendix 1 for noting. This predominantly sets out the responsibilities of both parties, the scope of the internal audit and the charges.
- 1.3 The primary role of the internal audit is to test the continuing existence and adequacy of the Town Council's internal controls. Attached as Appendix 2 is a report containing further information and the audit plan - this should be read in conjunction with Appendix 1.
- 1.4 The Town Council has two internal audits per annum and the first one has been arranged for 8th December 2021. The second visit will be arranged in May 2022 when the yearend has been completed and final accounts have been prepared.
- 1.5 Since April 2020, due to COVID-19, the audits have been carried out remotely. The RFO and Finance Manager have agreed with the Internal Auditor that the December 2021 audit will also be carried out remotely.



2. Financial Appraisal

2.1 The internal audit fees are the same as 2020-2021, at £60 per hour + VAT and if applicable 45p per mile.

2.2 The total cost for the year in 2020-2021 was £420.

3. Contact Officer

The Contact Officer for this report is Karen Singleton, Responsible Financial Officer (RFO).

RFO	
Town Clerk	



Our Ref: MARK/SEA002

Mrs L Clark
Seaford Town Council
37 Church Street
Seaford
East Sussex
BN25 1HG

17 August 2021

Dear Mrs Clark,

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 2022. (The 2021/22 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.

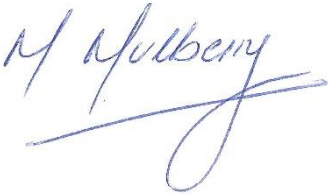
8. Fees

- 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 2021/22 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,

A handwritten signature in blue ink, appearing to read 'M. Mulberry', with a long horizontal flourish extending to the right.

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.

Internal Audit

2021/22

17 AUGUST 2021

Mulberry & Co

Author: Mark Mulberry



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Introduction

We are writing to confirm your 2021/22 internal audit arrangements. Internal audit is an on-going function, undertaken regularly throughout the financial year, to test the continuing existence and adequacy of the authority's internal controls. It results in an annual assurance report to members designed to improve effectiveness and efficiency of the activities and operating procedures under the authority's control.

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

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

Location of audit

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

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

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

LAWS AND REGULATIONS

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

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

Onsite audits

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

Remote audits

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

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

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

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

Who is to carry out the work?

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

How long will an audit take?

This is dependent on the scale and complexity of your council's accounts. We aim to conduct the majority of the work at the interim audit, so that at the year-end our work is focused on the Annual Governance and Accountability Return (AGAR) and the information being presented to the external auditor. As a guide, we generally allow three to four hours for an interim audit and two to three hours for a final audit. Appendix 1 details the testing we will carry out.

Engagement letter

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

We will shortly be issuing engagements letters for the 2021/22 council year. You will receive an automatic notification of this from our Openspace server with a link attached. Please can I remind you to logon to your Openspace account to electronically sign your engagement letter by going to www.irisopenspace.co.uk. By electronically signing the engagement letter, you are agreeing that we can start work immediately and that you agree with our terms. **Please note we cannot start work until the engagement letter has been approved.**

Fees and services

We base our charges on hourly rates which remain the same as the 2020/21 rate for the 2021/22 council year and £0.45p per mile for travel expenditure. All our fees are charges are subject to VAT at the prevailing rate.

Your right to complain

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

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

Kind regards

Mark Mulberry

Appendix 1 - Audit Plan

Audit Area	Tests
Appropriate books of account have been kept properly throughout the year.	Review transactions in cashbook make verbal enquiries. Test arithmetic.
The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	<p>Financial Regulations (FR) and Standing Orders (SO) reviewed and noted in minutes in last 12 months</p> <p>Select items from FR to test to physical documentation</p> <p>Review invoices and reconcile to cash book in detail</p> <p>Review selection of VAT entries</p> <p>Review minutes and payment list for authorisation</p> <p>Agendas and minutes properly prepared and published</p> <p>Council has Acceptance of Office and Register of Members' Interests in place and signed</p> <p>Review council is following Transparency Regulations</p>
The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<p>Review and comment on risk assessments in place – ensure financial risk assessment considered</p> <p>Review of effectiveness of audit carried out</p> <p>Review and comment on council disaster recovery plans</p>

	Review and comment on council's insurance
The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Review minutes for evidence of council discussion of the same Review and comment on actual versus budget information presented to council Review and comment on level of general and earmarked reserves
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Test precept application to precept receipts Test other income to annual charges (as approved by council) Test sample of VAT charged Comment on any partial exemption issues
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Test physical cash balances to accounting records Review items paid for by cash Enquire as to if cash received is banked entire or used for petty cash
Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	Test rates and hours are authorised Test net wages to payments due Ensure PAYE paid on time

	Council has pensions provision in place
Asset and investments registers were complete and accurate and properly maintained.	Assets shown at cost or proxy cost only Asset register sufficiently detailed Review insurance schedule and cashbook for missing items off the register
Periodic and year-end bank account reconciliations were properly carried out.	Test reconciliation in detail for all accounts Are reconciliations signed and presented to council Test loans to PWLB and or other documentation
Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	Review and comment on method of preparation Box 7 and 8 reconciliation agrees if applicable Schedules of prepayments, accruals, debtors and creditors agree to final accounts Elector's Rights has correct date parameters
Trust funds (including charitable) The council met its responsibilities as a trustee.	Enquire as to if council is sole managing trustee and note details Ensure accounts do not contain trust income or expenditure

Appendix 2 – Information to prepare for audit

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

15	Payroll summaries and pay slips for two calendar months	
16	Copy of fixed asset register showing additions and deletions since 31-03-21	
17	Copy of bank reconciliations for 3 consecutive months, together with bank statement page showing reconciled balance	
18	Confirmation of charity numbers where council acts as sole managing trustee	
19	Copy of Acceptance of Office for last appointed councillor	

Appendix 3 – Contact Us

- Email councils@mulberryandco.co.uk
- Phone 01483 423 054
- Upload – <https://www.irisopenspace.co.uk/Account/LogOn>