



## Seaford Town Council

### Seaford Town Council Full Council Agenda – 16<sup>th</sup> June 2022

#### To the Members of the Full Council

Councillors S Adeniji, N Adil, D Argent, L Boorman, M Brown, J Cash, S Dunn, J Edson, M Everden, MA Hayder, R Hayder, O Honeyman, R Honeyman, J Lord, J Meek, B Payne, R Reed, G Rutland, L Wallraven and B Webb.

A meeting of the **Full Council** will be held at **The View at Seaford Head**, Southdown Road, Seaford, BN25 4JS on **Thursday, 16<sup>th</sup> June 2022** at 7.00pm, which you are summoned to attend.

Adam Chugg, Town Clerk

9<sup>th</sup> June 2022

#### PLEASE NOTE:

- **Public attendance at this meeting will be limited to 28 people.**
- **The meeting will also be recorded and uploaded to the Town Council's YouTube channel shortly after the meeting.**
- **See the end of the agenda for further details of public access and participation.**
- **Ahead of the meeting, the Mayor has requested a short reflection be provided for the meeting. Anyone not wishing to take part in this reflection is invited to wait until 6.50pm before attending the meeting.**

### 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 in accordance with relevant legislation and Seaford Town Council Policy.

### **4. Minutes**

To note the following minutes, approving or not approving recommendations as required:

4.1	Full Council - Annual	12 <sup>th</sup> May 2022	Will be displayed on the <a href="#">Town Council website's meetings page</a> before this meeting takes place
	Full Council - Ordinary	12 <sup>th</sup> May 2022	Will be displayed on the <a href="#">Town Council website's meetings page</a> before this meeting takes place
4.2	Golf & The View	24 <sup>th</sup> May 2022	Will be displayed on the <a href="#">Town Council website's meetings page</a> before this meeting takes place
4.3	Planning & Highways	19 <sup>th</sup> May 2022	<a href="#">19.05.22 Planning &amp; Highways Minutes DRAFT</a>

### **5. [Mayor's Update Report](#)**

To consider report 32/22 presenting the Mayor's update and details of engagements attended (pages 6 to 8).

### **6. [Town Clerk's Update Report – June 2022](#)**

To consider report 33/22 updating Full Council on key Town Council work and work priorities for the Town Clerk (pages 9 to 13).

### **7. [Annual Internal Audit Report Year Ended 31st March 2022](#)**

To consider report 18/22 presenting the Final Internal Audit report from Mulberry & Co Ltd for 2021 - 2022 (pages 14 to 32).

### **8. [Annual Governance Statement 2021 - 2022](#)**

To consider report 19/22 enabling Full Council to discuss and approve the Annual Governance Statement 2021 - 2022 (pages 33 to 46).

### **9. [Annual Governance and Accountability Return - Accounting Statements \(Section 2\) and Final Accounts 2021 - 2022](#)**

To consider report 20/22 presenting the Final Accounts and Annual Governance and Accountability Return (Section 2) for the year ended 31<sup>st</sup> March 2022 for approval and adoption. (pages 47 to 78).

## **10. Application for the Variation of the S.106 Agreement – Former Newlands School Site**

To consider report 30/22 seeking the Town Council's authority for an application to Lewes District Council for a variation of the s.106 Agreement dated 15<sup>th</sup> July 2020, relating to the residential development at the former Newlands School site (pages 79 to 82).

## **11. Renaming of Martello Fields**

To consider report 31/22 presenting a proposal to rename the Martello Fields (pages 83 to 85).

## **12. 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 Freedom of Information Act 2000 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.*

## **13. The View Working Group Update EXEMPT**

To consider report 35/22 providing an update on the progress made by The View Working Group and to consider the recommendation to issue an Expression of Interest (exempt pages 2 to 78).

*Reason for exemption: to consider commercially sensitive arrangements relating to the financial and business affairs of the Town Council's properties.*

*Explanation of Reason: under the Freedom of Information Act 2000 s43(1), disclosure of this report would likely prejudice the commercial interests or activities of any party.*

## **14. Martello Toilets Project Update EXEMPT**

To consider report 34/22 providing an update on progress since the last report and present options for the next stage (exempt pages 79 to 98).

*Reason for exemption: to consider commercially sensitive arrangements relating to the financial and business affairs of the Town Council's properties, the majority of which are intended for future publication.*

*Explanation of Reason: under the Freedom of Information Act 2000 s43(1), disclosure of this report would likely prejudice the commercial interests or activities of any party. In addition, as covered under the Freedom of Information Act 2000 s22, this is intended for future publication.*

## **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](mailto:admin@seafordtowncouncil.gov.uk)

Telephone: 01323 894 870

### **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 28. The Town Council therefore asks that you contact

[admin@seafordtowncouncil.gov.uk](mailto:admin@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](mailto:admin@seafordtowncouncil.gov.uk) or by post to the Town Council offices.

## **Health & Safety Measures:**

While Covid restrictions are no longer mandated the Town Council wishes to stay vigilant and mindful of the health and safety of its meeting participants by upholding the requirement that you should not attend the meeting if you are displaying any Covid-19 symptoms (or have tested positive) as identified on the [NHS website](#) or symptoms of any similarly contagious illness.



## Seaford Town Council

<b>Report No:</b>	<b>32-22</b>
<b>Agenda Item No:</b>	<b>5</b>
<b>Committee:</b>	<b>Full Council</b>
<b>Date:</b>	<b>16<sup>th</sup> June 2022</b>
<b>Title:</b>	<b>Mayor's Report June 2022</b>
<b>By:</b>	<b>Gemma Saunderson-Barker, Mayor's Secretary</b>
<b>Purpose of Report:</b>	<b>To present the Mayor's update report and details of engagements</b>

<b>Recommendations</b>
<b>Full Council is recommended:</b>
To note the content of the report.

### 1. Information

- 1.1 The Mayor's update report can be found at Appendix A.
- 1.2 Details of mayoral engagements between 12<sup>th</sup> May and 8<sup>th</sup> June meeting can be found below.
- 1.3 The Mayor of Seaford has attended all of the following in her first month in office:
  - (a) Seahaven Business Awards annual dinner
  - (b) The Salts Tennis Courts opening
  - (c) Homelink AGM
  - (d) Lighting of HM The Queen's Platinum Jubilee Beacon
  - (e) The Platinum Jubilee Service at Chichester Cathedral
  - (f) Churches together in Seaford Songs of Praises service
- 1.4 The Deputy Mayor of Seaford has attended:
  - (a) Cradle Hill School Jubilee celebration
  - (b) Morrisons Jubilee celebration
  - (c) Jubilee Afternoon Tea at The View

## 2. Financial Appraisal

2.1 There are no direct financial implications as a result of this report.

## 3. Contact Officer

3.1 The Contact Officer for this report is Gemma Saunderson-Barker, Mayor's Secretary.

Mayor's Secretary	<i>G.Saunderson-Barker</i>
Town Clerk	

## **Report 32/22 Appendix A**

### **Mayor's Report to 16<sup>th</sup> June 2022 Town Council**

Thank you to all of the Councillors who elected me to be the Mayor of Seaford for the next municipal year, I look forward to working with all of the Town Councillors this year. Cllr Liz Boorman is this year's Deputy Mayor and we will work together for the town of Seaford.

This year, there will be more than one consort, with councillors being given opportunities to act as the Mayor's consort with the many benefits this can bring.

I will be pleased for Councillor Liz Boorman to wear the Deputy Mayor's Chains when I am wearing the Mayor's Chain and Medal.

I am a member of the Seaford Religious Society of Friends and one of the friends will attend the forthcoming full council meetings for a brief reading before the meeting commences. I will be arranging a civic service in the next couple of months.

I look forward to working with the Town Crier of Seaford, Mr Peter White.

The Young Mayor Erin Franklin and I attended The Salts tennis courts opening on the 21<sup>st</sup> May. The Young Mayor and Deputy Young Mayor Nia Waite have a busy year ahead.

I will be working with the Seaford Town Council officers and have had my first monthly meeting with the Town Clerk. I would like to thank all of the officers for all of their hard work during the pandemic, they really pulled together to ensure that Seaford Town Council continued to flourish.

I have already attended a number of Civic events, especially the lighting of the Beacon on the 2<sup>nd</sup> June to celebrate the Platinum Jubilee celebrations, this is certainly a highlight so far, it was amazing to see so many attend the lighting of the Beacon, with an estimated 2-3,000 people in attendance. Thanks to everyone who participated in making the evening so successful.

There will be plenty of events to attend, where I will be the ambassador for Seaford, and I am committed to attending as many as I can, my diary is certainly filling up already. For events that I am not able to attend, the Deputy Mayor will be invited to attend those she can and between us, we will be sure to represent the Seaford Mayoral office at as many engagements throughout the year as possible.

I will be able to confirm the charities that I have chosen and the theme for the year in the July Full Council Mayor's update report.

Councillor Olivia Honeyman

Mayor of Seaford 2022 to 2023





## Seaford Town Council

<b>Report No:</b>	<b>32/22</b>
<b>Agenda Item No:</b>	<b>6</b>
<b>Committee:</b>	<b>Full Council</b>
<b>Date:</b>	<b>16<sup>th</sup> June 2022</b>
<b>Title:</b>	<b>Town Clerk's Update Report – June 2022</b>
<b>By:</b>	<b>Adam Chugg, Town Clerk</b>
<b>Purpose of Report:</b>	<b>To update Full Council on key Town Council work and work priorities for the Town Council.</b>

### Recommendations

#### Full Council is recommended:

1. To note the contents of the report.

## 1. Introduction

- 1.1 At the May Full Council, the key work for this municipal year was approved, and this report provides an update against these priorities

## 2. June Update

- 2.1 *Taking forward key work from 2021 - 2022, including:*

### (a) Martello Toilets

I have submitted a report for this meeting which is on the agenda.

### (b) Tennis Courts

Following on from the successful opening in May, the Projects and Facilities Manager will submit a report on next steps to the July Full Council meeting.

### (c) Jubilee Celebrations

This included all of the following:

- The Beacon ceremony on Thursday evening, with choir, piper, bugler, Mayor and the Beacon lit on time!

(<https://www.facebook.com/seaford.town.council> - scroll down for live stream and pictures.)

- [Seaford Town Council - Facebook](#)  
Seaford Town Council, Seaford, East Sussex. 2,792 likes · 41 talking about this · 75 were here. REGULAR UPDATES: The Salts Play Area - Events in Seaford - Public Meetings - Martello Fields - And many...  
[www.facebook.com](http://www.facebook.com)

- Lychgate and other proclamations.
- The Best of British dinner and the Jubilee Tea at The View.
- Live streaming on Facebook of key events.
- Facebook posts each day of the Jubilee celebrations.
- Flying the Jubilee flags.
- Planning approval for road closures for celebrations.
- Comms and messaging around the activities in the town from church services and messy play to street parties

( <https://www.seafordtowncouncil.gov.uk/seaford-platinum-jubilee-2022/> )



#### [Seaford Platinum Jubilee Celebrations](#)

In 2022, Her Majesty the Queen will become the first British Monarch to celebrate a Platinum Jubilee after 70 years of service. An array of events and celebrations will be taking place throughout the year, across the nation, culminating in a four day UK Bank Holiday weekend from Thursday 2nd to Sunday 5th June. This extended bank holiday weekend will commence the Jubilee celebrations with ...

[www.seafordtowncouncil.gov.uk](http://www.seafordtowncouncil.gov.uk)

- The SCIP exhibition on the seafront.

In short, everything that was agreed and budgeted for was carried out successfully, and I really appreciate all the hard work to make these things happen.

We have had lots of positive feedback about what was arranged or enabled, while the biggest negatives received were the town not being made to look even more festive for the long weekend, and could there have been a weekend event on the Martello Fields.

Our work to celebrate the Jubilee is not complete, and a report on the next stage (the proposed renaming of Martello Fields) is elsewhere on this agenda.

**(d)**     *Ukraine*

We flew the flag from mid-March until the beginning of June (except for days when another flag had to be flown).

The reception centre arrangements worked smoothly.

I am a member of the Steering Group so that the Town Council can continue to offer any other appropriate support requested by S4U (Seaford for Ukraine).

**(e)**     *Gabion Wall*

I have worked with the Projects and Facilities Manager to obtain the professional advice we need on our next steps. We will bring a report to the July Full Council.

**(f)**     *Further strengthening the Town Council's finances*

No additional update.

**(g)**     *Implementing the outcomes of The View Working Group*

I have submitted a report for this meeting which is on the agenda.

**(h)**     *Partnership work on green spaces*

The Planning Officer continues to progress the relevant discussions and agreements.

We have also progressed our application for Fields in Trust status for the three sites (being The Salts, The Crouch and Martello Fields) and will keep councillors posted on the outcomes.

**(i)**     *17<sup>th</sup> green plans*

The Planning Officer has been finding out what information is needed by the South Downs National Park Authority for the relevant application.

**(j)**     *Newlands S106*

The Planning Officer and myself have submitted a report for this meeting which is elsewhere on this agenda.

**(k)**     *Local Plan*

I have sent the latest information to the Planning Officer who is working with our Planning and Highways Committee on the next steps.

**2.2**     In addition, we will work on all of the following:

**(a)**     *Deliver the scheme of work for projects agreed by the Community Services Committee for the 2022 - 2023 Municipal Year.*

No update – these are matters for the next Community Services Committee.

**(b)**     *Prepare for the 2023 election.*

I am working with the Office Manager on the preparations and will provide more details nearer the time.

**(c)**     *Re-convene the Assets Working Group.*

The group will meet in September.

**(d)**     *Develop a new Communications Protocol to maximise the effectiveness of how councillors and officers work together.*

I will bring a report to the July Full Council.

**(e)**     *Implement the new Climate Change Sub-Committee.*

The arrangements are being made at the moment for the first meeting.

**(f)**     *Work to develop more ‘shovel ready’ projects to improve Seaford’s chances of attracting external funding.*

I am working with councillors, officers and stakeholders on a possible submission to Lewes District Council for the Shared Prosperity Fund. I will bring a report on work to improve our chances to secure government funding to councillors later in the year.

**(g)**     *Deepen our understanding of the current provision of community spaces in the town so as to make the best of what we have, understand unmet need, and work towards how best to deliver what the town needs over time.*

This work will be carried out in the autumn.

**(h)**     *Undertake community and stakeholder engagement on priorities for the town and the Town Council.*

I am working with the Office Manager on this and will bring a report to the July Full Council.

- (i) *In summary, be a small and dedicated team, working with our Councillors and as hard as we can for the betterment of Seaford.*

### **3. Conclusion**


- 3.1** I trust this paper gives councillors a good understanding of the key areas of work and priorities for the Town Council and my role.
- 3.2** I have endeavoured to provide the transparency and accountability councillors need, and strike the right balance between strategic and operational priorities required by the role.

### **4. Financial Appraisal**

- 4.1** There are no direct financial implications as a result of this report.

### **5. Contact Officer**

The Contact Officer for this report is Adam Chugg, Town Clerk.

Town Clerk	
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## Seaford Town Council

<b>Report No:</b>	<b>18/22</b>
<b>Agenda Item No:</b>	<b>7</b>
<b>Committee:</b>	<b>Full Council</b>
<b>Date:</b>	<b>16<sup>th</sup> June 2022</b>
<b>Title:</b>	<b>Annual Internal Audit Report Year Ended 31<sup>st</sup> March 2022</b>
<b>By:</b>	<b>Karen Singleton, Responsible Financial Officer (RFO); Lucy Clark, Finance Manager</b>
<b>Purpose of Report:</b>	<b>To receive the Final Internal Audit report from Mulberry &amp; Co Ltd for 2021-22.</b>

### Recommendations

#### Full Council is recommended:

1. To receive and note the Annual Internal Auditor report, Appendix 1.
2. To note the Final Report of the Internal Auditor, Appendix 2
3. To approve the appointment of Mulberry & Co Ltd as the Internal Auditor for 2022 - 2023.

### 1. Information

**1.1** Mulberry & Co Ltd were the appointed Internal Auditor for 2021 - 2022. The Final Audit for the year was carried out at the Council Offices on 1<sup>st</sup> June 2022.

**1.2** The Internal Auditor is required to complete the Annual Internal Audit report section of the Annual Governance & Accountability Return (AGAR). This is attached as Appendix 1.

**1.3** Mulberry & Co's Final Audit report is attached in Appendix 2 (please note that this report also makes reference to the interim audit).

**1.4** Item J - Year End Accounts (Final Audit) on page 12 of Appendix 2 provides a table as per Section 1 of the AGAR and which is recommended to be used as the basis for discussion during item 9 of this agenda.

**1.5** In summary, the report stated that the internal systems and procedures at Seaford Town Council are well established and followed and that the year-end accounts have been correctly prepared on the income and expenditure basis. The Internal Auditor also recognised that the Town Council had worked hard on returning the general reserves to a more comfortable level over the past few years and that the amount of £632,762 is now within the recommended guidelines for a council of this size. Therefore, it is in the Internal Auditor's opinion that the AGAR is ready to be signed off by Full Council and the External Auditor.

**1.6** It is the opinion of the Internal Auditor that all section control assertions objectives have been met with one slight recommendation for a periodic second physical check of the petty cash box by the Finance Manager and /or the RFO. This will be acted upon with a second check being made every quarter by the Finance Manager.




**1.7** It is recommended that Mulberry & Co Ltd should continue to be the appointed Internal Auditor for 2022 - 2023 with the first visit having been provisionally booked for 25<sup>th</sup> October 2022.

## **2. Financial Appraisal**

**2.1** Specific costs for the Internal Audit are calculated on an hourly rate. The cost for 2021 - 2022 was £150 (interim audit) and £117 (final audit), totalling £267. The budget for 2022 - 2023 is £600. There are no further financial implications as a result of this report.

## **3. Contact Officer**

The Contact Officers for this report are Karen Singleton, RFO, and Lucy Clark, Finance Manager.

Finance Manager	
RFO	
Town Clerk	



## Annual Internal Audit Report 2021/22

## SEAFORD TOWN COUNCIL

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During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic 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.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit

08/12/2021 01/06/2022

ANDY BEAMS, MULBERRY &amp; Co

Signature of person who carried out the internal audit

A. Beams

Date

01/06/2022

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

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




**MULBERRY & CO**

Chartered Certified Accountants

Registered Auditors

&amp; Chartered Tax Advisors

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Our Ref: MARK/SEA001

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

1 June 2022

Dear Lucy

**Re: Seaford Town Council**  
**Internal Audit Year Ended 31 March 2022**

**Executive summary**

Following completion of our interim internal audit on 8 December 2021 and final internal audit on 1 June 2022 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. **Testing requirements are shown in red** and where appropriate **recommendations for future action are shown in bold text**.

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

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

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

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

**Regulation**

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

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

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

#### Independence and competence

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

Your auditor has over 30 years' experience in the financial sector with the last 12 years specialising in local government.

#### Engagement Letter

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

#### Planning and inherent risk assessment

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

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

It is my opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be "walk through testing" on sample data to encompass the period of the council year under review.

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

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

**Recommended minimum testing:**

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

**Interim audit**

The council continues to use the Rialtas Business Solutions (RBS) software accounting package for recording the day-to-day financial transactions of the council. This is a tried and tested industry specific package and I make no recommendation to change. The system is used regularly to record transactions and produce management information reports for review by council and committees.

The interim audit was conducted remotely and the requested information for review was forwarded to me in advance of a telephone conversation to review the findings. Other information was reviewed on the council website and through discussion with the Finance Manager. It is hoped that the year-end audit will be carried out on site, when more detailed sample testing of documentation can be completed.

Meeting agendas are logically structured and minutes show clear resolutions being made by committee and council. I make no recommendation to change this system.

The council is VAT registered and completes reclaims on a quarterly basis. The information provided for interim audit shows that sufficient supporting detail is included with the VAT returns, and the council is up to date with its postings.

**Section conclusion**

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

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

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

**Recommended minimum testing:**

- Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the Standing Orders and Financial Regulations which should be based on the latest version.
- Ensure that consistent values are in place for the acquisition of formal tenders between Standing Orders and Financial Regulations (frequently different limits are recorded in the two documents)
- Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation
- Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments
- Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements
- Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place

## Interim audit

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

The external auditor's report for 2020/21 was not qualified and has been published on the council website along with the Notice of Conclusion of Audit form. The conclusion of the audit was reported to council at the meeting held on 13 October 2021 (minute ref C88/10/21).

### *Confirm by sample testing that councillors sign statutory office forms*

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. The council website provides a link to the Lewes District Council website where details of the Disclosable Pecuniary Interests of each Member are published. I noted that the list has been updated to include the two most recent councillors.

### *Confirm that the council is compliant with the relevant transparency code*

A review of the council website shows that the council is publishing the information contained within the code through a Transparency tab on the website. While some of the information is very current (expenditure items over £500 most recently published for October 2021), others appear out of date. For example, the pay multiple figure is dated March 2020 and the asset register is dated 2019. **I recommend a review of the information to ensure the most current versions are correctly linked to the Transparency page.**

### *Confirm that the council is compliant with GDPR*

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

It is clear the council takes its responsibilities seriously and has made every effort to comply with the legislation.

### *Confirm that the council meets regularly throughout the year*

In addition to full council, the council has an established committee structure, with Terms of Reference in place for each committee alongside a detailed Scheme of Delegation. There are regular scheduled meetings, with details of older meeting agendas and minutes published on the website, along with a diary of upcoming meeting dates.

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

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

The council has an adopted policy on Agendas and Minutes (adopted October 2020) which outlines the need for clear agenda items, clarifies what additional information is made available to the public and confirms what must be recorded in the minutes.

### *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 marked as draft. These are subsequently replaced with final versions once approved.

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

The standing orders are based on the current NALC model and were most recently reviewed and adopted by council on 25 August 2021 (minute ref C64/08/21).

### *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 on 28 January 2021 (minute ref C87/01/20). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

The council has modified the NALC model to better reflect the size and structure of the council's financial operations, and the changes allow the council to operate in an effective and efficient manner, without excessive need for obtaining council approval for routine payments already approved in the budget.



**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, which are an example of the alterations to the NALC model, as below:

FR4.1 'Expenditure on revenue items up to the amounts included for that class of expenditure in the approved budget is authorised. This authority is to be determined by Full Council when setting the Annual Budget, subject to the requirements of the Town Council's Standing Orders and Financial Regulations. No expenditure may be authorised that will exceed the amount provided in the revenue budget for a Committee Budget other than by resolution of Full Council. During the budget year, it is expected that Account Codes will vary to budget and that consequently Cost Centres will also vary. However, the Committee spend has to be within budget unless approved otherwise Full Council. It is noted that some budgets are dependent on external factors e.g. income received at the Golf and The View. Any deviations due to loss of income does not require approval but should be reported to the relevant Committee as soon as practicable. There is no need to undertake virements.'

FR 4.2 'In cases of extreme risk, determined by the Town Clerk, to the delivery of Town Council services, the Town Clerk may authorise revenue expenditure on behalf of the Town Council, which in the Town Clerk'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 £5,000. The Town Clerk shall report such action to the Chair of the Town Council as soon as practicable thereafter. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year. Any such funds will be considered for allocation to earmarked reserves by the Finance & General Purposes Committee or Full Council.'

Based on the level of financial activity of the council, these authorisation thresholds appear appropriate, and during the interim audit I found no evidence of them not being adhered to.

There is regular detailed financial reporting to council and committee meetings, and it is clear a large amount of work goes into producing reports for consideration by councillors. Financial reports are clear and provide enough information for councillors to make informed financial decisions.

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

The council has adopted the General Power of Competence (GPC) and the thresholds do not apply.

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

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

**Final Audit**

The final audit was conducted on site with the Finance Manager. The information for review was available and further checks were completed through discussion with the Finance manager and a review of information on the council website.

**Section conclusion**

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

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

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

**Recommended minimum testing:**

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

**Interim audit**

The council has a comprehensive risk management process in place, which is due for further review and update in March 2022. A review of the updated information will be conducted at the year-end audit.

I confirmed that the council has a valid insurance policy in place with Zurich, with the renewal into a long-term agreement approved by council on 18 March 2021 (minute ref C108/03/20). The policy includes Public Liability cover of £15 million, Employers Liability cover of £10 million.

**Final Audit**

We discussed assertion 8 on the AGAR and whether or not this had any impact on the council.

*"We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements."*

The Clerk was able to confirm there were no matters excluded from the accounting statements.

**Section conclusion**

I am of the opinion that the control objective of "This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these" has been met.

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

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

**Recommended minimum testing:**

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



**Interim audit**

The Finance Manager confirmed that the budget setting process for 2022/23 is underway with the final version due to be agreed by council at its meeting scheduled for January 2022.

A review of the council's income and expenditure at the half-year point shows income recorded as 81.5% of budget and expenditure as 40.5%. Budget performance is monitored carefully by officers and reviewed at Finance & General Purposes Committee meetings. The Finance Manager produces a written report to supplement the figures, highlighting any variances for councillors. It is clear that the council carefully monitors its budget performance and takes appropriate steps when necessary.

Previous audit reports have highlighted that the general reserve is lower than the recommended circa six months equivalent of precept, but that officers have made recommendations to council to add to the general reserve annually to raise it to a more appropriate level.

A review of the council's reserves will be carried out at the year-end audit once any transfers have been completed.

**Final audit**

I confirmed the council approved the budget and precept at the council meeting held on 26 January 2022. The minutes show a detailed report was considered, and a number of proposals put forward for amendments before a majority decision was made. This demonstrates that the council has actively engaged with the budget process and agreed a level based on informed discussion.

The councils' financial reports show income reported as 109% of budget and expenditure as 88% of budget at the year-end. There is evidence of regular reporting of financial information within council minutes, and it is clear the council has managed the budget carefully during the year.

At the year-end the council held £517,577 in earmarked reserves split across a range of clearly defined projects. I tested the purpose of the earmarked reserves with the Finance Manager and confirmed they are all for legitimate future projects. This leaves circa £632,762 in the general reserve at the year-end.

Council is reminded that general guidance recommends a level of general reserve be maintained at between three- and twelve-months equivalent of precept. The level held by the council is within this range and the council has worked hard to return the level to a more comfortable level since the pandemic impact over the last few years.

**Section conclusion**

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

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

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

**Recommended minimum testing:**

- Review "aged debtor" listings to ensure appropriate follow up action is in place
- Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.
- Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)
- Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised
- Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time

- Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income
- Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked

#### Interim audit

The council has multiple income sources to support the precept, including the golf course and The View, recreation ground income, beach huts and seafront concessions, room and facility hire income, rental income, film income and other miscellaneous sources.

The pandemic affected the council's income significantly last year, with closures of facilities in place at various times, although the council actively sought mitigating measures to offset the reduced income.

I noted that income for the golf course at the half-year point is recorded as 100.9% of budget and The View at 66.9% of budget.

A review of the nominal ledger report and cashbooks shows income is clearly recorded with sufficient narrative description to identify the source.

The Finance Manager confirmed that a review of fees and charges will be conducted at the next Finance & General Purposes committee meeting.

#### Section conclusion

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

#### F. PETTY CASH (FINAL AUDIT)

##### Internal audit requirement

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

#### Recommended minimum testing:

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

#### Final audit

The council maintains a small petty cash float, used for incidental expenses. Petty cash records are retained in an Excel spreadsheet and the physical cash is checked and balanced at the end of each month by the Finance Assistant. The spreadsheet is shared with councillors and the Finance Manager and RFO, and the councillors confirm the accuracy via email (prior to the pandemic this was physically signed).

To enhance this system further, I recommend a periodic second physical check of the cash box by the Finance Manager and/or RFO.

I checked the physical cash and outstanding receipts and was able to confirm the balance as correct.



#### Section conclusion

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

### G. PAYROLL (INTERIM AND FINAL AUDIT)

#### Internal audit requirement

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

#### Recommended minimum testing:

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

#### Interim audit

Previous internal audits have confirmed that all employees have a signed contract of employment, based on the NALC model, and are paid in accordance with the NJC salary scales. There are no councillor allowances.

A review of the payroll summaries and payslips presented for interim audit shows that PAYE, NI and Pension deduction amounts appear correct, and the council is up to date with its HMRC payments.

#### Final Audit

I was able to confirm that the amount entered into box 4 of the AGAR (staff costs) correctly includes only salary, PAYE and Employers NI contributions and pension contributions.

The Finance Manager confirmed that all eligible staff received the backdated NJC pay rise in their March 2022 salaries.

#### Section conclusion

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

## H. ASSETS AND INVESTMENTS (INTERIM AND FINAL AUDIT)

### Internal audit requirement

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

#### Recommended minimum testing:

##### Tangible fixed assets

- Ensure that the authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets
- Physically verifying the existence and condition of high value, high risk assets may be appropriate
- Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement
- Additions and disposals records should allow tracking from the prior year to the current
- Ensure that the asset value to be reported in the AGAR at Section 2, Box 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and /or disposals
- Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the authority

##### Fixed asset investments

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

##### Borrowing and lending

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

### Interim audit

The council has a fixed asset register which includes details of asset location, cost or proxy cost and replacement values. The register includes columns for additions and deletions during the year to make changes easier to track.

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 PWLB borrowing, and confirmation of the repayments and year-end balances will be checked at the year-end audit.

### Final Audit

The asset register has been updated during the year with additions totalling £170,937 and disposals totalling £51,550. I was able to confirm that the new total matches that entered onto the AGAR and that the net difference equates to the increase in the register total from last year.

I confirmed the council the PWLB year-end balance and repayments to the PWLB statement.

#### Section conclusion

I am of the opinion that the control objective of "Asset and investments registers were complete and accurate and properly maintained" has been met.



**I. BANK AND CASH (INTERIM AND FINAL AUDIT)****Internal audit requirement**

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

**Recommended minimum testing:**

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

**Interim audit**

Bank reconciliations are completed on a monthly basis, independently checked and presented to the Finance & General Purposes committee meetings for review. I reviewed the reconciliations presented for the interim audit. I was able to confirm the balances to the bank statements and found no errors.

Due to the council's budget exceeding €500,000, it does not benefit from any protection from the Financial Services Compensation Scheme (FSCS). However, it is clear the council carefully considers its banking arrangements and has an adopted Investment Strategy.

**Final Audit**

At the year-end the council had a reconciled bank position across its accounts. I was able to confirm the balances to the bank statements dated 31 March 2022.

**Section conclusion**

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

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

*Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.*

**Recommended minimum testing:**

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

## Section 1 – Annual Governance Statement

	Annual Governance Statement	'Yes' means that this authority	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	<b>YES</b> – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	<b>YES</b> – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	<b>YES</b> – the Clerk is experienced and advises the council in respect of its legal powers.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	<b>YES</b> – the requirements and timescales for 2020/21 year-end were followed.
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	<b>YES</b> – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	<b>YES</b> – the council has appointed an independent and competent internal auditor.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	<b>YES</b> – the council takes action on recommendations within internal audit reports
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	<b>YES</b> – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>N/A</b> – the council has no trusts.

### Section 2 – Accounting Statements

At the time of the year-end audit, the AGAR figures presented for checking were as below:

AGAR Box Number		2020/21	2021/22	Auditor Notes
1	Balances brought forward	330,762	624,842	Correctly carried over from box 7 2020/21
2	Precept or rates and levies	872,023	984,150	Confirmed against precept amount received
3	Total other receipts	1,195,256	1,687,487	Confirmed against accounting records
4	Staff costs	812,464	783,486	Confirmed against accounting records
5	Loan interest/capital repayments	119,979	119,979	Verified against PWLB statement
6	All other payments	840,756	1,242,675	Confirmed against accounting records
7	Balances carried forward	624,842	1,150,339	Total correctly equals (1+2+3) – (4+5+6)
8	Total value of cash and short-term investments	722,423	1,232,941	Confirmed against accounting records and account balances
9	Total fixed assets plus long-term investments and assets	10,825,330	10,944,717	Verified against asset register
10	Total borrowings	1,469,349	1,403,075	Verified against PWLB statement

The year-end accounts have been correctly prepared on the income and expenditure basis with the box 7 & 8 reconciliation completed using the RBS data.

This shows total debtors of £203,745 made up of debtors (£91,371), sundry debtors (£816), VAT (£29,438) and prepayments (£82,120). Total creditors at the year-end are £286,347 made up of creditors (£48,484), Hurdie House deposits received (£2,000), Plastic free Seaford (£258), Accruals (£10,194), receipts in advance (£215,683), deposits received (£500), the View function deposits (£5,031) and swipe card top ups (£4,196).

The AGAR correctly casts and cross casts and the comparatives for the previous year have been correctly stated.

The variance analysis has been completed to explain the variances in boxes 2, 3 and 6. The explanations include narrative and additional quantitative measures are included within further information to be submitted with the variance analysis. In my opinion, this level of detail should prove sufficient for the External Auditor.

#### Section conclusion

I am of the opinion that the control assertion "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" has been met.



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

*If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")*

**Recommended minimum testing:**

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

**Final audit**

The council did not declare itself exempt from a limited assurance review in 2020/21, and this test does not apply.

**Section conclusion**

I am of the opinion that the control assertion of "If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt" is not applicable due to the council not declaring itself exempt from a limited assurance review in 2020/21.

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

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

**Recommended minimum testing:**

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

**Interim audit**

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

**Section conclusion**

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

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

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

**Recommended minimum testing:**

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

## Final Audit

Inspection – key dates	2020/21 Actual	2021/22 Proposed
Date inspection notice issued	30 June 2021	30 June 2022
Inspection period begins	1 July 2021	1 July 2022
Inspection period ends	11 August 2021	11 August 2022
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

I am satisfied the requirements of this control objective were met for 2020/21, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

The council plans to sign the AGAR at the meeting to be held on 16 June 2022.

**Section conclusion**

I am of the opinion that the control assertion “the authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations” has been met.

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

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

**Recommended minimum testing:**

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

*Before 1 July 2021 authorities must publish:*

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited
- Section 1 - Annual Governance Statement 2020/21, approved and signed, page 4
- Section 2 - Accounting Statements 2020/21, approved and signed, page 5

*Not later than 30 September 2021 authorities must publish:*

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

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

**Interim audit**

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

**Section conclusion**

I am of the opinion that the control assertion of “the authority has complied with the publication requirements for 2020/21 AGAR. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage” has been met.

#### O. TRUSTEESHIP (INTERIM AUDIT)

##### *Internal audit requirement*

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

##### **Recommended minimum testing:**

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

##### **Interim audit**

The council has no trusts.

##### **Section conclusion**

I am of the opinion that the control assertion of "Trust funds (including charitable) – The council met its responsibilities as a trustee" is not applicable as the council has no trusts.

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

Yours sincerely



**Andy Beams**

**For Mulberry & Co**





## Seaford Town Council

<b>Report No:</b>	<b>19/22</b>
<b>Agenda Item No:</b>	<b>8</b>
<b>Committee:</b>	<b>Full Council</b>
<b>Date:</b>	<b>16<sup>th</sup> June 2022</b>
<b>Title:</b>	<b>Annual Governance Statement 2021 - 2022</b>
<b>By:</b>	<b>Karen Singleton, Responsible Financial Officer (RFO); Lucy Clark, Finance Manager</b>
<b>Purpose of Report:</b>	<b>To enable Full Council to discuss and approve the Annual Governance Statement 2021 - 2022.</b>

<b>Recommendations</b>
<b>Full Council is recommended:</b>
<p>1. To agree that to the best of its knowledge and belief, it has complied with all assertions in the Annual Governance Statement for the year ended 31<sup>st</sup> March 2022.</p> <p>2. To approve the Annual Governance Statement for the Year Ended 31<sup>st</sup> March 2022 (Appendix 1) and authorise the Chair and Town Clerk to sign Section 1 of the Annual Governance and Accountability Return (AGAR) on behalf of the Town Council.</p>

### 1. Information

- 1.1** The full AGAR should be viewed as a whole document and is therefore attached as Appendix 1. Reports 18-22 and 20-22 on this agenda also refer to sections of the AGAR. This report relates to the Annual Governance Statement, Section 1 on page 4.
- 1.2** The Town Council is required, by 30<sup>th</sup> June each year, to complete and approve the Annual Governance and Accountability Return (AGAR), which is the Statutory Accounts of the Town Council as at 31<sup>st</sup> March 2022. In doing this the Accounts and Audit Regulations require the Town Council to

review the effectiveness of its internal control and approve the Annual Governance Statement (AGS).

- 1.3** Section 1, the AGS, must be approved before approving Section 2 (Accounting Statements) by approving them as separate items on an agenda.
- 1.4** The purpose of the AGS is to enable the Town Council to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations and proper practices. Ensuring that public money is safeguarded and properly accounted for.
- 1.5** This assurance is in the form of a number of statements known as assertions, to which the Town Council needs to answer 'yes' or 'no'. The Town Council needs to have evidence to support a 'yes' answer to an assertion AGS.
- 1.6** The Town Council conducted an annual review of its Internal Controls and risk registers at its meeting on 30<sup>th</sup> March 2022.
- 1.7** The statements in the AGS are explained in Appendix 2 and should be read in conjunction with report 18/21 - Appendix 2, the Internal Auditor's report section J, agenda item 7.
- 1.8** The AGS is signed by the Chair and Town Clerk on behalf of the Town Council.

## **2. Publication Requirements**

- 2.1** Under the Accounts and Audit Regulations 2015, the Town Council must publish the following on its website by 1<sup>st</sup> July each year:
  - (a)** The 'Notice of Period for the Exercise of Public Rights' and declaration that the accounting statements are not yet audited.
  - (b)** Section 1 – Annual Governance Statement approved and signed (page 4 of the AGAR).
  - (c)** Section 2 – Accounting Statements approved and signed (page 5 of the AGAR).
  - (d)** It is also recommended as good practice to publish the Annual Internal Audit report.
- 2.2** The RFO, on behalf of the Town Council, must set the period of exercise of public rights. This period must be set for 30 consecutive working days where the approved accounts and accounting records can be inspected by

members of the public during set times of the day. These dates have been set as 1<sup>st</sup> July 2022 to 11<sup>th</sup> August 2022.

**2.3** Following the return of conclusion of audit by the External Auditor, the Town Council must then publish the following on its website by 30<sup>th</sup> September each year:




- (a) Notice of conclusion of audit
- (b) Section 3 – External Auditor Report and Certificate
- (c) Sections 1 and 2 of the AGAR

### **3. Financial Appraisal**

**3.1** There are no direct financial implications as a result of this report.

### **4. Contact Officer**

The Contact Officers for this report are Karen Singleton, RFO, and Lucy Clark, Finance Manager.

Finance Manager	
RFO	
Town Clerk	

# Annual Governance and Accountability Return 2021/22 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2021/22

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
  - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
  - **Sections 1 and 2** **must** be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2022**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2022**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2022
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2021/22

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

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2022 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 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 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.

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

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



## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2022**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at <b>31 March 2022</b> been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.	✓	

**\*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices** can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



# Annual Internal Audit Report 2021/22

## SEAFORD TOWN COUNCIL

www.seafordtowncouncil.gov.uk

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic 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.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit

08/12/2021 01/06/2022

ANDY BEAMS, MULBERRY & CO

Signature of person who carried out the internal audit

Beams

Date

01/06/2022

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

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



## Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

### SEAFORD TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

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

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

16/06/2022

and recorded as minute reference:

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

Chairman

Clerk

[www.seafordtowncouncil.gov.uk](http://www.seafordtowncouncil.gov.uk)

## Section 2 – Accounting Statements 2021/22 for

### SEAFORD TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
1. Balances brought forward	330,762	624,842	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	872,023	984,150	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1,195,256	1,687,487	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	812,464	783,486	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	119,979	119,979	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	840,756	1,242,675	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	624,842	1,150,339	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	722,423	1,232,941	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	10,825,330	10,944,717	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	1,469,349	1,403,075	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A
			✓
			The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date

30/05/2022

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

as recorded in minute reference:

Signed by Chairman of the meeting where the Accounting Statements were approved



## Section 3 – External Auditor's Report and Certificate 2021/22

In respect of

SEAFORD TOWN COUNCIL

### 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor's limited assurance opinion 2021/22

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

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

### 3 External auditor certificate 2021/22

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

\*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

Review of Effectiveness of the System of Internal Controls			
	Statement	Explanatory Note	Evidence
1.	Seaford Town Council has put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Through the act of formally approving the accounts, the Council asserts that it has prepared those accounts in the way prescribed by law and in accordance with the Accounts and Audit Regulations.	<p>The accounting statements have been prepared in the way prescribed by law and best practice as contained in the Governance and Accountability for Local Councils a Practitioner's Guide and in accordance with the Accounts and Audit Regulations.</p> <p>There are accounting systems in place, which are used to prepare the accounting statements.</p> <p>The Council employs a fully qualified accountant as RFO.</p>
2.	Seaford Town Council has maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<p>This statement covers the Council's responsibility to ensure that its affairs are managed in accordance with proper standards of financial conduct and arrangements exist to prevent the detection of fraud and corruption.</p> <p>The Council also asserts that it has tested those arrangements at least once in the year to make sure that they are working in an adequate and effective way.</p>	<p>The Internal Auditor has checked the Council's internal control systems including Financial Regulations and Standing Orders and confirmed that these were entirely fit for purpose.</p> <p>Internal Controls and risks registers are reviewed annually.</p> <p>Monthly bank reconciliations are signed and checked by the chair of F&amp;GP.</p> <p>All spending Committees receive reports on Income and Expenditure as they relate to their budgets and significant variances are highlighted.</p>

Review of Effectiveness of the System of Internal Controls			
	Statement	Explanatory Note	Evidence
3.	Seaford Town Council took all reasonable steps to ensure that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have significant financial effect on the ability of this smaller authority to conduct its business or on its finances.	<p>Confirms that the Council has done only what it has the legal power to do.</p> <p>The statement covers the Council's responsibility to act within the law and put in place proper arrangements to ensure that its financial affairs are conducted in accordance with the law and other relevant regulations including providing the public with the opportunity for electors to exercise their rights to inspect the financial records and ask the auditor questions.</p>	<p>The Council's Standing Orders, Finance Regulations and Scheme of Delegation are reviewed annually.</p> <p>Information to comply with the transparency code (e.g. expenditure over £500) is available on the Council's website together with Annual Internal Audit Report and External Audit Reports, the Council's budget book, the Annual Investments Strategy and the Annual Return.</p> <p>The Internal Auditor has reviewed the financial transactions. There were no matters of actual or potential non-compliance with laws, regulations or proper practices that could have had a significant financial effect on the running of the Council.</p>
4.	Seaford Town Council provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Confirms that during the year the Council has allowed persons who are interested to the opportunity to exercise their rights to inspect the financial records and ask the auditor questions.	The notice of electors' rights is placed on the Council's website in accordance with the regulations and the accounts can be inspected on prior arrangement with the RFO. The Council gave all persons interested opportunity to inspect and ask questions about its accounts.

Review of Effectiveness of the System of Internal Controls			
	Statement	Explanatory Note	Evidence
5.	Seaford Town Council carried out an assessment of the risks facing us and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<p>This Statement Covers the council's responsibility to develop, implement and regularly monitor the effectiveness of the systems of internal control covering:</p> <ul style="list-style-type: none"> <li>• The overall control environment</li> <li>• The identification, documentation, evaluation and management of operational and financial risks</li> <li>• Budgetary control and monitoring</li> <li>• The documentation and application of control procedures</li> </ul>	<p>Risk Management and Insurance was reviewed by the Internal Auditor who was satisfied that the Council reviews its risk arrangements and documents in a clear and logical manner that allows for mitigation in terms of insurance or action, and that the Council considers the risks the Council faces in terms of achieving its objectives.</p> <p>Council reviewed the Internal Controls and risk registers at its meeting on 30<sup>th</sup> March 2022.</p>
6.	Seaford Town Council maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	This statement covers the Council's responsibility to appoint an internal auditor to audit the accounts and systems and report back to the Council on any need for improvement.	Mulberry & Co. are the Council's appointed Internal Auditor. Their bi-annual reports are reviewed by the Finance and General Purposes Committee throughout the year and an Action Plan agreed in response to any findings within the report. The Internal Auditor is reappointed and an Audit plan agreed annually.

Review of Effectiveness of the System of Internal Controls			
	Statement	Explanatory Note	Evidence
7.	Seaford Town Council took appropriate action on all matters raised in reports from internal and external audit.	This statement covers the Council's responsibility to act on any matters arising from the Internal Auditors Audit.	All Internal Audit reports go to the Finance and General Purposes Committee who respond to comments and suggestions made by Auditors throughout the year by formulating Action Plans if necessary.
8.	Seaford Town Council considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact and where appropriate have included them in the accounting statements.	This statement covers the Council's responsibility to conduct its financial affairs and to put in place proper arrangements to ensure that its financial standing is soundly based. This statement provides assurance that the Council has considered and disclosed in the Annual Return all matters relevant to its business including any matters that have arisen between the year end and the date of the Annual Return.	The Annual Return is presented to Council and contains all relevant transactions in the year. Officers are not aware of any transactions that have occurred after the year end that would affect these accounts.  No matters were raised during the internal audit.
9.	Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the	This is not applicable as Seaford Town Council is not a sole managing trustee of a local trust or trusts.	

Review of Effectiveness of the System of Internal Controls			
	Statement	Explanatory Note	Evidence
	fund(s)/assets, including financial reporting and, if required, independent examination or audit		