

EAST GRINSTEAD TOWN COUNCIL

To: Chairman and Members of the Finance & General Purposes Committee.
Cllrs Mrs Beckford, Mrs Belsey (Vice Chairman), Mrs Brunsdon, Hodges, O'Brien, Osborne, Sillitoe, Webster (Chairman), Whittaker and Wyan, Town Mayor and Deputy Town Mayor.
(Other distribution for information only)

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15 June 2011

Dear Sir/Madam,

Your attendance is requested at a meeting of the FINANCE & GENERAL PURPOSES COMMITTEE to be held in the COUNCIL CHAMBER, East Court on THURSDAY, 23 June 2011 at 7.45 p.m.

Yours faithfully,
JULIE HOLDEN,
Town Clerk.

A G E N D A

- 1 Public Question Time.
- 2 To commence not later than 8 p.m. - Apologies for absence.
- 3 To receive Minutes of the meetings held on 24 March 2011 and 16 May 2011 (attached).
- 4 To receive any Declarations of Prejudicial and Personal Interest.
- 5 To receive the accounts for March, April and May 2011 and the schedule of capital payments incurred during 2010/2011 financial year (attached). (Min 24.03.11).
- 6 To receive any recommendations of Committees.
- 7 Town Council Finances - Position Statement (Min 357 24.03.11).
- 8 Statement of Accounts – Annual Financial Return 2010/2011 (Min 83 24.06.10)
- 9 Approval of Internal Audit Plan and Annual Review of the Effectiveness of Internal Audit (Min 336 & 337 25.03.10)
- 10 Appointment of Charity Trustees (Min 85 24.06.10)
- 11 East Grinstead Youth Council (Min 292 27.01.11)
- 12 Performance Indicators (Min 362 24.03.11)
- 13 Appointment of Scrutiny Committees 2011/2012 (Min 89 24.06.10)
- 14 Community Governance Review
- 15 Councillors Allowances (Min 295 27.01.11)
- 16 Community Action Plans
- 17 Public Conveniences
- 18 Any Other Urgent Business

NB The next meeting of the Committee will be held on Thursday 22nd September 2011

EAST GRINSTEAD TOWN COUNCIL

To: All Members of the Finance & General Purposes Committee (23.6.11)
(Other distribution for information only)

Agenda item 6 : TO RECEIVE RECOMMENDATIONS OF COMMITTEES

Minute 57 Amenities and Tourism Committee 16.06.11. Members are asked to approve the schedule of fees for hire for East Court, the Old Court House and the Meridian Hall as set out in the report for Agenda item 11 to that committee.

Minute 60 Amenities and Tourism Committee 16.06.11. **Members are asked to approve the grant** of £200 to the emergency services 999 day on 28th August 2011, for the supply of refreshments to the volunteers, as set out in the report for Agenda item 14 to that committee.

Agenda Item 7: TOWN COUNCIL FINANCES – POSITION STATEMENT (Min 357 24.03.11)

Members are asked to note that the balances on the various Town Council accounts at 10th June 2011 were, rounded to the nearest £, as below.

	Revenue	Capital	Total
	£	£	£
Natwest Direct Reserve	475,239	72,016	547,255
Santander Time Deposit 18 months	50,000		50,000
NatWest Capital Reserve A/c		97	97
Natwest Current/ Reserve A/c	37,298	3,869	41,167
Royal Deposit Plan 3 year	250,000		250,000
Total	812,537	75,982	888,519

Agenda Item 8: STATEMENT OF ACCOUNTS – ANNUAL RETURN 2010/2011 (Min 83 24.06.10)

The Accounts and Audit Regulations 2011 require relevant bodies of our size to complete an Annual Return which is attached as Appendix A herewith. The return is submitted to the external auditors by the 30th June having been approved by full council. As 'Section 1 – Accounting Statements' gives only an eight number summary of the council's financial operations your officers produce a supplementary unaudited Statement of Accounts which presents in more detail the financial position of East Grinstead Town Council and its income and expenditure for the year.

The attached return has been signed off by Paul Hartley, our internal auditor, who has completed 'Section 4 – Annual internal audit report'.

It is a statutory requirement that the members take responsibility for ensuring that there is a sound system of internal control and give answers to nine questions in 'Section 2 – Annual governance statement'. Mr Male has prepared the following notes in order to assist council's consideration of the Annual Governance Statement. Council is required to answer 'Yes' or 'No' to each of the statements 1 to 9 below. In the event of a 'No' response, explanations have to be provided to the

external auditor together with a description of the action that is being taken to address the weakness identified.

1. We have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.

The Statement of Accounts has been certified by the Responsible Finance Officer and the Internal Auditor (Annual internal audit report).

2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

The council's system of internal control is designed to manage risk to a reasonable level. Key elements of the internal control environment include:

Standing orders

Establishment of policy and decision making committees.

Performance plan and budget reviews.

Local code of corporate governance.

Local council risk system.

Scrutiny groups.

Staff training - Investors in People.

Monitoring officer

Internal audit

External audit

3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the council to conduct its business or on its finances.

The Monitoring Officer and Internal Auditor constantly review legislative processes to ensure compliance and take action to overcome identified areas of non-compliance. Standing orders and Financial Regulations are reviewed regularly and Scrutiny Groups are set up to monitor areas of significant change.

4. We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

Compliance with year-end statutory requirements is prompted and monitored by the external auditors. Annual Reports including Financial Statements are available for inspection on the council website throughout the year.

5. We have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

A local council risk system is used to identify and prioritise risks facing the council. Reports detailing actions taken and persons responsible are

reviewed twice a year by council. The Internal Auditor also independently reviews the effectiveness of actions and controls.

6. We have maintained throughout the year an adequate and effective system of internal audit of the council's accounting records and control systems and carried out a review of its effectiveness.

The internal auditor is reappointed by council annually and the annual internal audit report is reviewed by council. An annual audit plan is agreed by council at the commencement of each year and the effectiveness of internal audit is incorporated in the annual review.

7. We have taken appropriate action on all matters raised in reports from internal and external audit.

Management responses and actions taken are recorded as part of the annual audit reports from internal and external auditors which are reviewed by council.

8. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council and, where appropriate have included them in the statement of accounts.

The Clerk/RFO review and accrue for any material known or contingent liabilities at the year-end.

9. Trust funds - in our capacity as the sole managing trustee we have discharged our responsibility in relation to the accountability for the funds/assets, including financial reporting and, if required, independent examination or audit.

The Internal Auditor has certified that the council has met its responsibilities as a trustee. Reports are reviewed during the year by the Trustees and annual returns are submitted to the Charity Commissioners.

Members are asked to approve the Annual Governance Statement, the Annual Return and the Statement of Unaudited Accounts for the year ended 31st March 2011.

Agenda Item 9: APPROVAL OF INTERNAL AUDIT PLAN AND ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT (Min 336 & 337 24.06.10)

Mr Paul Hartley , our internal auditor, has submitted three reports which are attached as appendices C, D and E herewith.

'The Briefing Note on the role of internal audit' (Appendix C) is a one-off report to inform members of the legal background and the scope and purpose of internal audit.

'The Internal Audit Report for the year 2010/2011' (Appendix D) summarises the areas reviewed during his five visits to site. Recommendations are underlined and

EGTC responses added in italics. There are no matters of immediate concern and systems and procedures are robust.

The Internal Audit Plan for the year 2011/12 (Appendix E) comprises two main areas – items 1 to 11 are the minimum tests recommended in the statutory guidelines and are repeated each year. Additional testing is normally specified by the council if it has a one-off area where there may be internal or legislative change. In this way officers can ensure that council practices, particularly in the areas of Employment and Health & Safety remain compliant. Six areas have been identified for additional testing within the budget we have agreed for internal audit.

Members are asked to note and/or instruct accordingly.

Agenda Item 10: APPOINTMENT OF CHARITY TRUSTEES (Min 85 24.06.10)

The Council administers the East Grinstead Parish share of the annual grants from the Henry Smith's Charity, Sidney Betchley Charity and John Smith's Trust. The annual income of approximately £2,100 is distributed in the form of shopping vouchers, redeemable at local stores, to applicants who meet the Charities' criteria of age and/or infirmity and/or poverty.

In order to do this the trustees meet twice a year to vet the applications and to decide on the amount of the voucher.

The current trustees of the Henry Smith's Charity, Sidney Betchley Charity and John Smith's Trust and their term of office is as follows:

	Expiry Date
Mrs G Bainbridge	31/07/14
Mrs M E Collins	31/07/12
Mr B A Gillbard	31/07/12
Mr E A Harper	31/07/13
Mrs B Heasman	31/07/12
Mr D Heasman	31/07/12
Mrs V Hunt	31/07/14
Mr J Joyce-Nelson	31/07/12
Mr A H Leggat	31/07/12
Mrs E Ratcliffe	31/07/14
Mr W M Ross	Ongoing
Mrs V Russell	31/07/12
Mrs G Shuttleworth	31/07/12
Mrs W Stacey	31/07/12
Mr J J Weeks	31/07/14

At the last meeting of the trustees on the 10th November 2010 it was resolved to recommend Mr Richard Curtis to Council for appointment as a trustee for a term of four years commencing 1st August 2011.

Members are asked to approve the appointment.

Agenda Item 11: EAST GRINSTEAD YOUTH COUNCIL (Min 292 27.01.11)

The following report has been prepared by Caroline Halpin, the Town Council's

Youth Council co-ordinator and provides for incoming Councillors, a brief background to the EG Youth Council. Although Caroline Halpin is not able to attend the meeting today there are members of the Youth Council present who will be pleased to answer any questions that the Members may have.

“After 2 years since its inception the Youth Council is firmly established as a united group of young people drawn from both Sackville and Imberhorne Schools, aged between 13 to 18 years. We have had the same core group since the Youth Council was established in 2009.

We also serve as a link to Outset, for whom I work as a Youth Volunteer Advisor, who assist young people to find volunteering opportunities giving them a perspective on their local community and which often helps them in their future career options, adds to their personal development and adds value to their C.V.

We are also linked to the Omelettes, the Junior Schools Youth Council and are to be involved in assisting them in the organisation of the East Grinstead Junior Schools Creative Week in June.

Over the past months we have been consulted by various community groups. Among those has been a visit by Sally Blackmore, Mid-Sussex Youth Services Area Manager (now retired). Sally sits on the South of England Show Committee and wanted young people's input into the Youth Area of this year's Show. This runs over three days in June and members came up with some great suggestions/feedback for her to take back to her next meeting. They will also assist as volunteers on one of the days.

Clare Collins - MSCC Landscape Design came with plans of the new Skatepark for East Grinstead. No members were specifically involved in skateboarding but have agreed to bring some young people to our next meeting who are actively part of the skateboarding 'scene.' Therefore it was agreed that she will return to hear what they have to say.

A group of us travelled to London in March to lobby Parliament on the savage cuts to the youth services budget and met with our MP Nicholas Soames (recent picture in Courier) We had a fruitful meeting in which our MP agreed to give us his backing where he could and sympathised with some eloquent arguments put to him by the group. He spoke about transitional funding for targeted projects. At our subsequent meeting we spoke about suggestions for future projects. It was agreed that they would come to our next meeting with some definite proposals.

The Youth Council has developed into a task force of 'Young Ambassadors' willing to take on a variety of roles in their community. Members have been involved in helping at East Grinstead Museum and East Grinstead Library to run their now established arts/crafts sessions during the holidays. Another group helped with the feedback forms at the East Grinstead Life Exhibition. A request for tellers at the recent elections on 5 May saw several members volunteering their services.

Future plans are the possibility of developing some links with National Centre for Young People with Epilepsy, with members acting as 'buddies' to some of the more able bodied young people who live there during term-time; whether through sport or social events is yet to be discussed.”

Members are asked to note this report

Agenda Item 12: PERFORMANCE INDICATORS (Min 362 24.03.11)

Details of Performance Indicators in respect of responsibilities falling under the purview of Finance & General Purposes Committee are set out below for the period March, April and May 2011 inclusive. The comparable figures for the same months in 2010 are shown in brackets alongside.

Members are asked to note this report.

Item	March	April	May
Invoices paid within 30 days	95%	94%	95%
Total staff sickness in days	23	2	11

Agenda Item 13: APPOINTMENT OF SCRUTINY COMMITTEES 2011/2012 (Min 89 24.06.10)

In 2010/2011 the Town Council had two scrutiny groups, dealing with the Parish Halls and Organisational Review. These reported respectively to Charities Committee and this Committee. There were in addition a number of other Working Groups, including those focussing on the East Court and Meridian Hall Business Plan (Amenities and Tourism) and Three Tiers, which focussed on the Local Development Framework and which was freestanding. It is up to this Committee to recommend to Council as to any Scrutiny Groups and/or Working Parties it wishes to see established for 2011/2012 either on an ongoing basis or on a task and finish basis. It will then be up to the appropriate committees to determine their own memberships.

It has been recommended

that a working party be set up to take forward the task of identifying priorities for East Grinstead concerning strategic planning policy for the medium to long term future. A pre meeting of this group under the title of Neighbourhood Plan Working Group occurred on 3rd June 2011 with the following invited to attend : Councillors Mrs Beckford, Mrs Brunsdon, O'Brien, Webster and Wyan. This could form the basis of the group. The group would look to form a Neighbourhood plan, undertake public consultation and feed in to Mid Sussex District Council's strategic planning process (which is currently underway) with initial views in July 2011, firmer recommendations in September 2011 and a fully prepared plan by December 2011. The group will report back in to this committee.

That a working party be set up to take forward plans for celebrating the Queen's Diamond Jubilee in June 2012. This Committee would report in to The Amenities and Tourism Committee (Min 58 Amenities and Tourism Committee 16.06.11)

Committee are asked to make appropriate recommendations to Council.

Agenda Item 14: COMMUNITY GOVERNANCE REVIEW

In 2008 The Boundary Commission carried out a review of electoral arrangements for West Sussex County Council. Adjustments resulting from a review are brought

into effect at the next set of scheduled full elections for the affected body. In the case of WSCC these were brought in at the elections in June 2009.

However the review also made some changes to the ward boundaries of East Grinstead Town Council. These changes were brought into effect at the elections held on 5 May 2011. Although changes were made to the Town Council boundaries to bring them into line with the County Divisional boundaries no alterations were made to District Council boundaries. Consequently there are now areas in East Grinstead in which the District and Town Council wards are not synchronised.

The areas affected lie to the south of London Road; previously these areas were in Baldwins ward at both District and Town Council levels. They remain in Baldwins ward for the District Council, but have been moved to Imberhorne ward at Town Council level. Currently 600 electors are registered in the affected areas, polling districts BGA and BGB on the Register of Electors.

Mid Sussex District Council can make adjustments to Town Council boundaries under the provisions for Community Governance Reviews. These are data gathering and consultative processes and the evidence gathered during the exercise must support any changes made to electoral boundaries. The Senior Elections Officer at MSDC advises that such a review would normally be at the request of the town council.

Only the Boundary Commission can make alterations to District Council boundaries after conducting a review of electoral arrangements.

Members may wish to consider this matter with regard to whether they might wish to request Mid Sussex District Council to conduct a Community Governance Review of the affected areas to be completed in time for the 2015 Town Council elections.

Member instructions are requested.

Agenda Item 15: COUNCILLORS ALLOWANCES (Min 295 27.01.11)

The only allowances payable to Councillors (other than the Town Mayor) are those that are formally approved by Mid Sussex District Council's Independent Panel on Members' Allowances. These cover all travel within the civil parish of East Grinstead, costs of postage, costs of telephone calls and computer costs (hardware and software). In 2010/2011 financial year the allowance was £1,085 per Councillor.

In 2010/2011, 14 of the 18 Councillors claimed an allowance with the other four members making no claim. Details are as follows:

Councillor Baldwin - £1,085
Councillor Banks - £1,085
Councillor Barnett – No claim
Councillor Mrs Bennett - £1,085
Councillor Mrs Brunsdon - £1,085
Councillor Mrs Collins - £1,085
Councillor Dixon - £1,085
Councillor Gillbard – No claim

Councillor Johnson - £1,085
Councillor Joyce – Nelson - £1,085
Councillor Mainstone - £1,085
Councillor Mrs Mainstone - £1,085
Councillor Marmara- No claim
Councillor Musk – £1,085
Councillor Quinn - £1,085
Councillor Reed - £1,085
Councillor Starmer - £1,085
Councillor Mrs Waddingham - No claim

The Town Mayor in 2010/2011 civic year was Councillor Barnett. He represented the Town Council in his official capacity at official engagements, excluding Council and Committee meetings. The allowance for the post, which provides for all mileage costs and purchase of tickets for events, was approved by the Town Council at £1,250 for the year.

At the meeting of the Finance & General Purposes Committee on the 27th January 2011 it was resolved that the elected members of East Grinstead Town Council who wish to claim an allowance in 2011/2012 may do so at the rate of £1,030 for the year, which represents a decrease of over 5% from 2010/2011, and which is a lesser figure than that recommended by the Independent Panel . Mr Male has distributed application forms to members for this purpose.

At the meeting of the Finance & General Purposes Committee on the 26th January 2012 members will be invited to set the rate of allowances for the ensuing year to 31st March 2013.

Members are asked to note this information report.

Agenda Item 16: COMMUNITY ACTION PLANS

West Sussex County Council has expressed a desire and willingness to develop further its work with partners to provide support for local communities to enable them to become stronger and more self sufficient.

Initial work in four pilot areas has, in their assessment, clearly demonstrated that the greatest benefits will be achieved if the Town and Parish Councils are fully engaged and central to the process of working with Districts and Boroughs and the County Council. The pilots have already demonstrated that there is benefit in working with Towns and Parishes in a 'cluster'.

Work with the pilots so far has led to:

- County officers having a better understanding of local priorities
- The opportunity for Towns and Parishes to have more influence over the delivery of services including libraries, youth, highways and transport
- A better understanding of resources being invested in local communities and the scope to influence the allocation of these resources
- Close scrutiny of community facilities available to provide local services and opportunities to get the most from these facilities including the potential to transfer County assets to local community groups.

The County Council is looking to work with further clusters of Towns and Parishes over the next two years and has invited the Town Council to identify:

- how we could work with neighbouring Towns or Parishes ('clusters' of 4 - 10 town / parish councils) to develop plans with the County Council and other key partners
- the work already done in this 'cluster' to identify local priorities
- key issues and priorities for our cluster area over the next two years
- key partners who we would involve in developing proposals with the County Council - including Districts, Boroughs, LSPs, SALC, AiRS, voluntary groups, local community groups etc

If the Town Council is interested in this invitation then we have been requested to submit proposals in the first instance to Duncan Barratt, the County Council's Community Development and Big Society Manager. In considering this matter Members are reminded that in accordance with policy instructions from the last cycle of meetings an interest in a community asset transfer of the Wallis Centre has already been lodged with the County Council.

Members views and instructions are requested.

Agenda item 17 : PUBLIC CONVENIENCES

Public Services Committee on 9th June 2011 received an update on the permanent toilets for King Street (MINUTE 42 9.06.11). Since this meeting further developments have occurred to allow the matter to now come forward for Members to finalise the agreement with Mid Sussex District Council. This report outlines the Capital and Revenue Costs to the Town Council of the project and seeks instruction from members to progress the project with Mid Sussex District Council.

The provision of public toilets has been a long standing item, however the first report concerning the permanent public toilet provision in King Street is recorded as Min 134 9.9.10. Subsequent reports Min 198 11.11.10

The Town Clerk and Amenities Manager have held further discussions with Mid Sussex District Council representatives, the design plans have been provisionally agreed and are on display for public comment. This consultation will conclude on 30th June and a final report will be taken to 4th July Council meeting to formally seek approval for East Grinstead Town Council to enter in to an agreement with Mid Sussex District Council to take over the running of the Toilets once they are built. Members are therefore advised of the detail of the offer from Mid Sussex District Council:

- The proposal from Mid Sussex is that MSDC will build the facility based on the agreed plans.
- Once complete the freehold will be transferred to the Town Council for a peppercorn amount. This was the express wish of the previous committee.
- There will not be any taper funding from Mid Sussex District Council. The full revenue cost of the maintenance and running of the Toilets will fall to East Grinstead Town Council on transfer of the freehold.

- The toilets are designed to be attendant based, therefore a staffing cost will occur. Experience has shown in other locations that an attendant based in the facility reduces vandalism and damage to the facility. As the wish is to have a facility available for the public it is thought that the long term benefit of employing an attendant is justified by the reduced cost in repair of damage and the loss of use of the facility while waiting for repair or engineers to attend. Mid Sussex District Council have stressed that the design has been based on the premise of an attendant.
- The toilets would be open and attended 08.00 – 18.00
- The estimated revenue cost based on Mid Sussex actual figures plus staffing is £20,000 per year. This cost is a new cost to the Council. A provisional allocation was set aside for costs from spring 2012 but this would need to be fully allowed for in the Revenue budget for the financial year 2012/13 and therefore considered in the budget process in late 2011. There may be an impact on the Council Tax precept as a result, members were previously advised of the perversity of paying for the provision of public toilets twice (as the provision of facilities is a District Council function), however the feeling of this issues importance to the town was stressed at the time and therefore justifying the costings that were discussed.

The time scale now before the Committee and the District Council is;

- Signing the contracts after Council resolve to press ahead
- Obtaining planning permission (13 weeks)
- Tendering the building works (13 weeks)
- Commencement of the contract (late 2011/ early 2012)
- Completion and opening of the toilets (spring 2012)

Once the building starts the King Street temporary toilets would gradually be taken out of use as the building works require. Norton House will remain open during the works but will close once the new Kings Street toilets are open.

The Public Services committee have previously been made aware of the probability of a charge being introduced for the use of the toilets, to offset some of the operational cost. This will now need to be pulled in to a formal policy to be implemented at the opening of the toilets

The Committee is asked to recommend to full Council:

Whether the Town Council should enter in to the contract as offered by Mid Sussex District Council.

If the Committee should be so minded then to further recommend that revenue provision should be made for the ongoing costs from 2012/13.

And that a charging policy for the toilets be referred to the relevant Committee for discussion and decision.

Town Clerk's Report Ends

Appendix A

This item is available in hard copy from the Town Council by request

**EAST GRINSTEAD
TOWN COUNCIL**

***Statement of Unaudited Accounts for the Year Ended
31st March 2011***

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East Grinstead Town Council

Statement of Accounting Policies

31st March 2011

General

This council is defined as a 'smaller body' under the Accounts and Audit Regulations 2011 which require the completion of an Annual Return which comprises 'inter alia' an external audit report. These unaudited financial statements have been drawn up in accordance with proper accounting practices for smaller relevant bodies as laid down in "Governance and Accountability in Local Councils - a Practitioner's Guide 2010 and, whilst not required to be statutorily disclosed, are designed to present fairly the financial position and results of operations of the council.

Capital expenditure

In accordance with the recommendations of the CIPFA guidelines this council has set a *de minimus* level of £5,000 below which expenditure is not capitalised.

All expenditure above the *de minimus* level on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the authority and the services it provides, for a period of more than one year. Fixed assets are valued on the basis recommended by CIPFA and in accordance with the statements on asset valuations principles and guidance notes issued by the Royal Institute of Chartered Surveyors. The closing balances are stated on the following basis:

- Non operational properties have been valued to Open Market Value whilst Operational properties have been valued to Open Market Value for Existing Use or, where this could not be assessed because there was no market for the subject asset, the properties were valued at Depreciated Replacement Cost, subject to the prospect and viability of the occupation and use.
- Other operational assets are included in the balance sheet at historic cost net of depreciation.

Differences arising on the valuation of fixed assets are charged to the fixed asset restatement reserve. Revaluation of fixed assets is planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, should they occur.

The Council's policy is to carry out a maintenance programme so that, as far as possible, its fixed assets' useful lives remain the same. As a result it is considered that any depreciation charge on the buildings would be immaterial. Therefore, in 2010/2011 depreciation was only chargeable on vehicles, plant, furniture and equipment above the *de minimus* level and on no other assets of the authority. The depreciation charge was credited against the fixed assets.

Depreciation on Vehicles and Plant is calculated using the straight line method at a rate of 20%.

Amounts set aside from revenue to finance capital expenditure or as transfers to other earmarked reserves are disclosed separately as appropriations on the face of the Income and Expenditure Account and in Note 14.

Debtors and Creditors

The revenue accounts of the council are maintained on an accruals basis. That is sums due to or from the council during the year are included whether or not the cash has actually been received or paid in the year.

Cost of Support Services

The cost of management and administration which is controlled by the Finance and General Purposes Committee is allocated to all services on an agreed basis.

Reserves

The council maintains certain reserves to meet specific future expenditure. The purpose of the council's reserves is explained in note 14.

The system of capital accounting requires the establishment of two reserve accounts in the balance sheet (neither of which represent reserves which the council can use to support future expenditure):

- the fixed asset restatement account, which represents principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets, and
- the capital financing account, which represents revenue or capital resources applied to finance expenditure of a capital nature or for the repayment of external loans and the charge of depreciation to ensure it does not impact on the amount to be met from precept.

Pension Scheme

These accounts are prepared in accordance with proper accounting practices for smaller relevant bodies (see 'General' above) which do not require the council to account for their employees' retirement benefits. This represents a change of accounting policy which means that the Pension Asset/Liability and Pension Reserve are no longer accounted for in the Balance Sheet. However, the council continues to show the funding of its own employees' retirement benefits, calculated by the actuaries as a share of the Local Government Pension Scheme, under Note 16 to the Accounts.

Risk Management and Anti fraud & corruption policies

The council is examining the major risks it faces and confirms that systems are under constant review so as to mitigate those risks.

Post Balance Sheet Events

Events between the balance sheet date and the date that the Financial Statements are approved are considered by the council in accordance with SSAP17.

East Grinstead Town Council
Income and Expenditure Account
For the Year Ended 31st March 2011

Year Ended
31st March 2010
Net

Year Ended
31st March 2011

<u>Expenditure</u>		<u>Services</u>	<u>Expenditure</u>	<u>Net</u>	
<u>£</u>	<u>Note</u>	<u>£</u>	<u>£</u>	<u>Income</u>	<u>Expenditure</u>
<u>£</u>		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
72,471		78,056		78,056	
81,197		89,995		89,995	
111,197		265,335	155,422	109,913	
39,089		40,384		40,384	
16,509		23,287		23,287	
36,421		51,965	12,995	38,970	
39,405		76,507	45,808	30,699	
143,797		160,868	47,147	113,721	
80,400	[7]	80,400		80,400	
<u>16,919</u>	[14]	<u>61,776</u>		<u>61,776</u>	
637,405		928,573	261,372	667,201	
(8,530)	[2]			(11,432)	
(2,406)				36,007	
<u>55,831</u>	[14]				
<u>(4,776)</u>					
<u>682,300</u>				<u>687,000</u>	
	NET COST OF SERVICES				
	NET CHARGE TO PRECEPT				

Statement of Movement on the General Fund Balance
For the Year Ended 31st March 2011

<u>Year ended</u> <u>31st March 2010</u>		<u>Year ended</u> <u>31st March 2011</u>
(2,406)	Transfer to/(from) the Income and Expenditure Account	36,007
<u>381,167</u>	General Fund Balance brought forward	<u>378,761</u>
<u>378,761</u>	[14] GENERAL FUND BALANCE CARRIED FORWARD	<u>414,768</u>

East Grinstead Town Council

Balance Sheet as at 31st March 2011

£	31 st March 2010 £	Note	£	31 st March 2011 £
			Tangible Fixed Assets	
			Operational Assets	
3,985,300		[9]	Land & Buildings	3,985,300
<u>7,114</u>		[9]	Vehicles & Plant	<u>25,737</u>
	3,992,414		Total Fixed Assets	4,011,037
	<u>3,482,414</u>		Total Long-Term Assets	<u>4,011,037</u>
			Current Assets	
23,383		[12]	Debtors	39,047
<u>579,287</u>			Cash & Bank Funds	<u>624,425</u>
	<u>602,670</u>		Total Assets	<u>663,472</u>
	4,085,084		Total Assets	4,674,509
			Current Liabilities	
(62,970)		[13]	Creditors	(87,275)
	(81,305)		Total Assets less Liabilities	(106,776) (18,335)
	<u>4,003,779</u>		Total Assets less Liabilities	<u>4,567,733</u>
 Represented By				
	3,367,427	[14]	Fixed Asset Restatement Account	3,367,427
	<u>625,037</u>	[14]	Capital Financing Account	<u>647,760</u>

142,554	[14]	Earmarked Reserve	137,778
378,761	[14]	General Fund Balance	414,768
(510,000)	[16]	Pension Reserve	-
<hr/>			
<u>4,003,779</u>			<u>4,567,733</u>

Signed.....

Signed.....

Signed.....

Chairman Finance & General Purposes Responsible Finance Officer Town Clerk

Date.....Date.....

Date.....

East Grinstead Town Council
Cash Flow Statement
For the Year ended 31st March 2011

		Year ended 31st March	
		2010	2011
Surplus/(Loss) for the year	[4]	(2,406)	36,007
Sale of Fixed Assets			4,100
Non-cash Transactions			
Contribution to Earmarked Reserves	[4]	<u>55,831</u>	<u>(4,776)</u>
			<u>53,425</u>
<u>35,331</u>			
Increase/decrease in :-			
Debtors	[12]	2,816	(15,664)
Creditors	[13]	(6,316)	24,305
Receipts in Advance		<u>6,016</u>	<u>1,166</u>
		<u>2,516</u>	<u>9,807</u>
Total increase in cash and cash equivalents		<u>55,941</u>	<u>45,138</u>
2. Increase in Cash and Cash Equivalents		£	£
Opening Balance		523,346	579,287
Closing Balance		<u>579,287</u>	<u>624,425</u>
Movement in Year		<u>55,941</u>	<u>45,138</u>

East Grinstead Town Council
Notes to the Accounts
31st March 2011

1. Section 137 Expenditure

Section 137 of the Local Government Act 1972 (as amended) enables the council to spend up to the product of £6.15 per head on the electoral roll in any one year for the benefit of the people in its area on activities or projects not specifically authorised by other powers. The total amount available for this purpose in 2010/2011 was £116,850.

Expenditure was incurred for the following purposes:

	2009/2010	2010/2011
	£	£
Revenue Community Grants	7,984	8,335
Tourist information	3,122	4,204
Civic Newsletter	4,624	4,979
	15,730	17,518
	15,730	17,518

2. Interest on Bank Deposits

The interest figure arises from the investment of revenue balances including reserves and provisions as follows:

	Revenue	Capital & Revenue Projects	Total
	£	£	£
Bank Interest	11,432	-	11,432

3. Publicity

Section 5 of the Local Government Act 1986 requires the council to disclose expenditure on publicity. The broad details of this expenditure are:-

	2009/10	2010/11
		£
Civic Newsletter	4,624	4,979
Hall Facilities		1,134
2,941		
Public Notices	155	0
Press & Public Relations		1,662
1,800		
Town Guide	585	275
	<hr/>	<hr/>
	8,160	9,995
	<hr/>	<hr/>

4. Budget

The following shows a comparison of the budget and out-turn figures (before Depreciation adjustments) in 2010/11 analysed by cost centres.

<u>Revised Estimated - net Expenditure</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	£	£	£
Democratic Representation	78,045	78,056	(11)
Corporate Management	86,287	89,995	(3,708)
East Court Estate	120,106	109,913	10,193
Community Support	45,123	40,384	4,739
Planning	21,241	23,287	(2,046)
Economic Development & Tourism Services	38,708	38,970	(262)
Cemetery Services	46,104	30,699	15,405
Civic Pride	127,958	113,721	14,237
Charities	80,400	80,400	-
Capital & Revenue projects	57,000	61,776	(4,776)
Interest & Investment Income	(10,000)	(11,432)	<u>1,432</u>
(Total Variance for Year)			35,203
Transfer from/to General Reserves	(3,972)	36,007	(39,979)
Transfer to Earmarked Capital Reserves		(4,776)	4,776
	<hr/>	<hr/>	<hr/>
Net Charge to Precept	687,000	687,000	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. Staffing

During 2010/11 the council employed an average of 24 permanent staff, some full-time and some part-time. All administrative, professional, technical and clerical staff (APT & C) and outdoor staff are paid on nationally agreed pay scales.

The Town Clerk is paid on Town Clerk's salary scale LC4, SCP68, within a national salary scale that is agreed annually by the National Association of Local Councils and the Society of Local Council Clerks.

One officer received a salary in the band of £60,000 to £70,000 in the year.

6. Audit Fees

During the year the council paid fees to Mazars LLP the council's auditors as follows:

	2009/2010	2010/2011
Fees payable in respect of external audit services carried out by the appointed auditor	<u>£2,500</u>	<u>£2,500</u>

7. Related Parties/ Agency Income

The council had the following material transactions with related parties:

1. As part of its continuing support, the council paid a grant of £80,400 (2009/2010 £80,400) to Chequer Mead Community Arts Centre Registered Charity Number: 108890 which was formed on the 6th April 2005.
2. Transactions with the West Sussex County Council Pension Fund are detailed in Note 16 to the Accounts.
3. The council received £56,800 (2009/10 £57,657) from partnership initiatives with Mid-Sussex District Council and West Sussex County Council.

8. Operating Leases Plant

Vehicles &

Payments due to be made in 2011/12 in respect of operating leases which expire within 2 to 5 years (2009/10 £NIL) £1,134

9. Fixed Assets

	Land and Buildings £	Vehicles and Plant £	TOTAL £
Cost or Valuation			
At 1 April 2010	3,985,300	80,336	4,065,636
Additions	-	28,971	28,971

Disposals	-	(26,361)	(26,361)
At 31 March 2011	<u>3,985,300</u>	<u>82,946</u>	<u>4,068,246</u>
Depreciation			
At 1 April 2010	-	73,222	73,222
Charge for year	-	9,810	9,810
Disposals		(25,823)	(25,823)
At 31 March 2011	<u>-</u>	<u>57,209</u>	<u>57,209</u>
Net Book Value			
At 31 March 2011	<u>3,985,300</u>	<u>25,737</u>	<u>4,011,037</u>
At 31 March 2010	<u>3,985,300</u>	<u>7,114</u>	<u>3,992,414</u>

The following assets were acquired during the year :

- 1 x Compact Tractor & sprayer attachment
- 1 x Mitsubishi L200 4 x 4 Diesel Truck

The following assets were disposed of during the year:

- 1 x Mitsubishi L200 Truck
- 1 x Ford Transit Panel Van

10. Capital Commitments

At the 31st March 2011 there were no significant orders for future capital.

11. Information on Assets Held

Fixed assets owned by the council include:-

Operational Land and Buildings

East Court	-valued on existing use
Meridian Hall	-valued on depreciated replacement cost
Chequer Mead Arts Centre	-valued on depreciated replacement cost
Cemetery Buildings (including workshops)	-valued on existing use
Cemetery	
Old Court House	-valued on market value

Vehicles, Plant, Furniture and Equipment

- Building contents
- Vans - 2
- Tractor - 1
- Trailer - 1
- Digger - 1
- Dumper - 1

Infrastructure Assets

- Bus Shelters - 10
- Street Lights

Community Assets
 East Court Playground
 East Court Garden of Remembrance
 War Memorials - 2
 Recreation Grounds - 1
 Allotment Sites - 2
 Civic Regalia

12. Debtors

	31 st March 2010	31 st March 2011
	£	£
Chequer Mead Community Arts Centre	0	80
Parish Halls	2,471	3,297
Henry Smith's Charity	96	0
Sundry Debtors	20,816	35,720
	<u>23,383</u>	<u>39,047</u>

13. Creditors

	31 st March 2010	31 st March 2011
	£	£
Other Local Authorities	26,126	39,937
Sundry Creditors – Revenue	36,844	47,338
	<u>62,970</u>	<u>87,275</u>

14. Reserves

The council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

Reserve	Balance 1 April 2010 £	Net Movement in Year £	Balance 31 March 2011 £	Purpose	Notes
Fixed Asset Restatement Account	3,367,427	-	3,367,427	Store of gains on revaluation of fixed assets	[1]
Capital Financing Account	625,037	22,723	647,760	Store of capital resources set aside to meet past Expenditure	[2]
Earmarked Reserve projects	142,554	(4,776)	137,778	Resources available to finance future specific	[3]

General Fund	378,761	36,007	414,768	Resources available to meet future running costs	[4]
Pension Reserve	(510,000)	510,000	-	To remove Pensions Liability from the Balance Sheet.	[5]
TOTAL	4,003,779	563,954	4,567,733		

Notes

- [1]. The system of accounting for local councils requires the establishment of a fixed asset restatement account which represents the change in value of assets which have been revalued or disposed of.
- [2]. The capital financing account represents revenue and capital resources applied to finance capital expenditure on fixed assets or for the repayment of external loans. It also includes the charge for annual depreciation to ensure it does not impact on the amount to be met from precept. It does not represent a reserve which the council can use to support future expenditure.

The movements on the reserve during 2010/11 were :-	£
Capital additions	28,971
Profit on sale of assets	3,562
Depreciation for the year	(9,810)
	<u>22,723</u>

[3]. Earmarked Reserves

	31 st March 2010	Contribution to Reserves	Capital Receipts	Other Contributions	Reserves Expended	Capital Virements	Balance at 31st March 2011
	£	£	£	£	£	£	£
Earmarked Capital Reserves							
Bank Charges	-				(129)	129	
Meridian enhancements	4,000	5,000			(7,166)		
(1,834)				Youth facilities	11,000		
Civic Pride transport	3,000	17,000			(23,601)	3,601	
Snow plough					(2,295)		
2,295							
Workshop area	6,000				(3,503)		
(1,247)	1,250						
Youth Facilities	11,000						
11,000							

Queens Road wall	7,500			2,250	
	9,750				
St Swithuns wall	12,500				12,500
Parish Halls Development	51,727	25,000		(4,300)	
	<u>72,427</u>				
	123,687	57,000		(61,776)	118,911

Earmarked Revenue Reserves

Pensions Reserve		18,867				18,867
	<u>18,867</u>		-			<u>18,867</u>
	<u>142,554</u>	57,000	-	-	(61,776)	<u>137,778</u>

The earmarked reserves are used to finance or part-finance specific projects which are part of the council's capital and revenue projects programme. To comply with FRS12 reserves for non past obligating events are included in earmarked revenue reserves set aside for future expenditure.

- [4]. Statement of Movement on the General Fund Balance on P.3
- [5]. The Pension Reserve has been removed from the Balance Sheet in 2010/11 and the funding of the council's pensions is fully explained in note 16 to the accounts. This adjustment does not impact upon the amount to met from precept.

15. Trust Funds

The council administers a number of Charities, namely the Chequer Mead Community Arts Centre, the Parish Halls - East Grinstead, the Sidney Betchley Charity and the Henry Smith's Charity. In accordance with previous auditors instructions the accounts of these charities are kept entirely separate from the accounts of the council and are not incorporated within the Balance Sheet.

	Net assets
	as at 31/03/2011
Chequer Mead Community Arts Centre Trust	£197,075
The Parish Halls - East Grinstead	£26,090
The Sidney Betchley Charity	£1
The Henry Smith's Charity	£9,550

16. Pension Schemes

East Grinstead Town Council participates in the West Sussex County Council Local Government Pension Scheme who acts as an Administrating Authority. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary.

In 2010/11 the council, in accordance with the percentages advised by the actuary and shown below, paid an employer's contribution of £63,241 to the West Sussex County Council Superannuation Fund. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the fund. East Grinstead Town Council's contribution rate over the accounting period was 16.1%. The contribution rates certified for the East Grinstead Town Council at the 31 March 2011 valuation are as follows:

2011/2012 18.1% of pensionable salary

The latest valuation has been updated by independent actuaries to the West Sussex County Council Pension Fund to take account of the requirements of FRS17/IAS19 in order to assess the liabilities of the Fund as at 31st March 2011. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value.

The main assumptions used for the purposes of IAS19 are as follows:

	31st March 2010	31st March 2011
Salary increases	5.3%	5.1%
Pension increases	3.8%	2.8%
Discount	5.5%	5.5%
Rate of return on Equities	7.8%	7.5%
Rate of return on Bonds	5.0%	4.9%
Rate of return on Property	5.8%	5.5%
Rate of return on Cash	4.8%	4.6%

The Value of the West Sussex County Council Superannuation Fund Assets of which the East Grinstead Town Council Fund is a part are valued at fair value, principally market value for investments, and comprise:

	31st March 2010 £(000)	31st March 2011 £(000)
Equities	1,229	1,369
Bonds	243	249
Property	97	124
Cash	49	36
Total	<u>£1,618</u>	<u>£1,778</u>

The proportions of total assets held in each asset type, shown above, reflect the proportions held by the Fund as a whole at 31st March 2011.

The following amounts in respect of East Grinstead Town Council were measured in accordance with the requirements of FRS17/IAS19:

March	31st March	31 st
	2010	2011
	£(000)	£(000)
Estimated assets in West Sussex County Council Pension Fund	1,618	
	1,778	
Estimated Liabilities in West Sussex County Council Pension Fund ¹	<u>2,128</u>	
	<u>1,750</u>	
Net Pension Asset/ (Liability)	<u>(510)</u>	—
28		

¹The Actuaries estimate for the purposes of FRS17/IAS19 that this liability comprises approximately

	31st March 2010	31st March 2011
Employee member	£1,627,000	1,361,000
Deferred Pensions	£230,000	174,000
Pensions	<u>£271,000</u>	<u>215,000</u>
	<u>£2,128,000</u>	<u>1,750,000</u>

²It is assumed that all unfunded pensions are payable for the remainder of the member's life. On death of the member, any spouse will receive a pension equal to 50% of the member's pension at the time of death of the member.

The movement on the Net Pension Asset (Deficiency) during 2010-2011 can be broken down as follows:

	Year to 31st March 2010	Year to 31st March 2011
	£'000	£'000
Opening Pension Asset (Deficit)	(216)	(510)
Employers Contribution	61	63
Current Service Cost	(57)	(91)
Expected Return on Assets	73	118
Interest on Pension Scheme Liabilities	(93)	(111)
Actuarial Gain/(Loss)	(278)	360
Past Service Gain/(Loss)- CPI/RPI	-	199
Closing Pension Asset (Deficit)	<u>£(510)</u>	<u>£28</u>

17. Further Information

Further information about the accounts, including a list of individual payments over £500, is available from the Council Offices, East Court, College Lane, East Grinstead. This is part of the council's policy of providing full information about its affairs. Interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.

EAST GRINSTEAD TOWN COUNCIL

BRIEFING NOTE ON THE ROLE OF INTERNAL AUDIT

The Accounts and Audit Regulations 2003, as amended, requires every Local Council to “maintain an adequate system of internal audit of its accounting records and of its system of internal control”

Internal Audit is a key component of the system of internal control. The purpose of I/A is to review whether the systems of financial and other controls over a councils activities and operating procedures are effective.

I/A is an ongoing function reporting to the council at least once a year, and is undertaken throughout the financial year to test the continuing existence and adequacy of internal controls.

I/A is not the detailed inspection of all records and transactions in order to detect error or fraud. It is the periodic independent review of a council’s internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the council’s control.

I/A’s annual report forms part of the Annual Return (section 4) and covers the following topics:-

- Proper book-keeping
- Financial Regulations, Standing Orders, Payment controls
- Risk management
- Budgetary controls
- Income controls
- Petty cash procedure
- Payroll controls
- Asset control
- Bank reconciliation
- Year-end procedures

The council will determine the scope and coverage of I/A work, including aspects of council activities additional to the above.

The External Auditor is appointed by the Audit Commission, and conducts a limited assurance audit, based on the information provided by the council in the Annual Return and relevant supporting papers. External Auditors provide assurance in the form of an opinion whether, on the basis of their review, the accounts and the other information provided are in accordance with the specified requirements and that no matters have come to their attention giving cause for concern that relevant legislative and regulatory requirements have not been met.

EAST GRINSTEAD TOWN COUNCIL

INTERNAL AUDIT REPORT FOR YEAR 2010-2011

I visited the Council Office on 27 September 2010 to commence, and again on 9 November to continue, the Internal Audit process for 2010-2011. Further visits were made on 26 January and 9 March 2011. A final visit to deal with the year-end arrangements was made on 7 June.

The comments below are in the order of the headings in Section 4 of the Annual Return, followed by any additional items specified in the Council's Audit Plan. Recommendations are shown underlined, and any response from Council will be added in *italics* to the final report for the year.

A. BOOKS OF ACCOUNT

The Natwest Bankline system is now used for the majority of payments, with use of manual and computer cheques reduced. Entries are made regularly onto the RBS Omega accounting system. A satisfactory control procedure for the release of payments on Bankline by two Member signatories is in place.

VAT is identified by the RBS system, and VAT returns are made quarterly.

There are no Loans to the Council.

B. FINANCIAL REGULATIONS

Revised Standing Orders and Financial Regulations were adopted in June 2010.

Minor clarification as to the Quorum for Committees may be appropriate.

Reference to Power under which expenditure is approved is only shown in Minutes for exceptional items.

Purchase and payment authorisations are satisfactorily controlled.

Procurement Strategy was reviewed in September 2010, and a satisfactory policy framework is in place.

Council is eligible to use Power of Well being, and as such, use of S.137 is expected to be minimal. Reference to S.137 in the notes to the year-end accounts should therefore be reviewed.

C. RISK MANAGEMENT

An external Health & Safety review has recently been carried out, and recommendations therein are being progressively implemented. Some policy documents will be rewritten, possibly using templates from sources such as NALC & SLCC.

Similarly, an external review of IT Controls has been carried out, with several recommendations implemented, leading to improved system security.

A review of headstone safety was completed during the year, and a new plinth system is being progressively introduced where stability problems have been identified.

In conjunction with the ongoing review of Job Descriptions, procedural notes for specific functions (e.g. Payroll) currently carried out by individual Officers should be prepared so that business can continue uninterrupted in the event of unexpected prolonged absence.

EGTC: Notes for the Payroll procedure have now been prepared. Others will be prepared as appropriate in the near future.

Risk Assessments are carried out as specified in the H&S review, with regular inspections of fire safety equipment in all Council buildings. A comprehensive exercise in relation to safety equipment, clothing and procedures has been undertaken for Outdoor Services staff. PAT testing is carried out annually.

Regular tree inspections are to be extended to include Mount Noddy cemetery.

A standard procedure is in place to ensure Contractors' Public Liability insurance is in place at commencement of contract and yearly thereafter.

Insurance cover is with Aviva, and was renewed for three years on 31/8/2010, at which time a crosscheck against asset register and inventory took place.

A thorough review of Council's minutes for this year revealed no areas of concern. Presence of Officers at Council & Committee meetings could usefully be recorded in Minutes.

Reference to 'Any other business' in Agendas should be re-considered.

D. BUDGET & PRECEPT

Budget for 2011-2012 has been completed to include projections for a further two years ahead, taking into account known changes to Parish Halls, Chequer Mead, Staffing levels and Agency work.

Precept has been frozen, but with modest use of reserves, and reduced payroll costs, services should continue at the present level. General reserves of approx 6 months of net expenditure will still be maintained.

Unspent monies from the current year will be carried forward as earmarked reserves where appropriate and subject to resolution.

E. INCOME

Cemetery tariff reviewed for 1/4/2010.

Halls tariff is still complicated by a multiplicity of rates. A simpler system could result in a more user-friendly information leaflet for enquirers.

A satisfactory system of processing income, with good credit control, is in place.

VAT is charged on Meridian Hall & East Court bookings.

The new booking system for room hire has been successfully implemented and appears to be working well.

F. PETTY CASH

A £200 float is kept in a safe, with £100 at the tourism desk in the Library. Maximum expenditure is £25 per item. Satisfactory controls and reimbursement procedures exist.

VAT is correctly picked up by the RBS system.

G. PAYROLL

A sound system is in place, and all necessary procedures are properly carried out. Staff contracts are in good order.

Up to date Job Descriptions are now complete for almost all posts.

Sickness is properly monitored and recorded.

The impact of new legislation regarding Equality/Discrimination is currently under consideration. Aspects of this affecting non-staff issues will be included in future policy/business plan documents.

H. ASSETS AND INVESTMENTS

The Asset Register as such contains only capitalized items, with most plant, machinery and equipment above value £250 appearing in an Inventory. Buildings values have been updated this year for insurance purposes, and the Inventory is updated quarterly.

I. BANK RECONCILIATIONS

All accounts are subject to weekly reconciliation, with random checks by members. A new 3 year fixed rate bond has recently been invested.

J. YEAR END ACCOUNTS

Accounts have been accurately prepared from the RBS system, and the Annual Return figures have been correctly entered. Year-end Bank reconciliations have been checked.

K. TRUSTEESHIP

The Town Council is Custodian and management Trustee of Parish Halls and Chequer Mead. Separate accounts are maintained for both charities. Future plans for Parish Halls, which were recommended by a Scrutiny Committee, are well advanced and seem appropriate in all the circumstances.

OTHER ITEMS

Data protection registration has been renewed, and Investors in People re-accreditation has been achieved.

CRB/ISA compliance issues are on hold pending Government review of the system.

Tourism & Business Support – a specific visit to Officers in this section, based in a newly refurbished position within East Grinstead Library, gained the impression of a well run, customer focussed, operation. A high level of service is provided to casual callers, e-mail and telephone enquiries, and considerable promotional work is carried out in support of the town's business sector, and tourism generally. The function appears to be well regarded locally, although as it is not badged as a Town Council service, the credit may accrue elsewhere.

Paul Hartley
Internal Auditor
8 June 2011

EAST GRINSTEAD TOWN COUNCIL

INTERNAL AUDIT PLAN FOR THE YEAR ENDING 31ST MARCH 2012

Coverage

The minimum level of coverage is defined by the following eleven key control tests in the Annual Report :

1. Appropriate books of account have been properly kept throughout the year.
2. The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.
3. The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
4. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.
7. Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.
8. Asset and investment registers were complete and accurate and properly maintained.
9. Periodic and year-end bank account reconciliations were properly carried out.
10. Year end accounts were prepared on the correct income and expenditure basis, agreed with the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.
11. The council has met its responsibilities as a trustee.

Additional testing required in 2011-12

- CRB/ISA compliance – monitor developments and assess impact on EGTC
- Review of procurement procedures
- Review of Council Policies, including FOI compliance
- Establishment review - job descriptions and spinal points (may be resourced externally)
- Review cash handling procedures
 - Chequer Mead – if requested by Trustees, review internal procedures