

**Sprowston Town Council year ending 31st March 2022**

**Summary Income & Expenditure by Budget Heading year to date to**

31st December 2021

	<u>Actual</u> Year to Date	<u>Annual</u> Budget	<u>Variance to</u> Annual Total	<u>Committed</u> Expenditure	<u>Funds</u> Available	<u>% Budget</u> <u>Spent</u>
<b><u>Administration</u></b>						
Expenditure	157,957	211,049	53,092	0	53,092	74.8%
Income/Precept	651,997	211,049	-440,948			
<b><u>Allotments</u></b>						
Expenditure	3,557	6,284	2,727	0	2,727	56.6%
Income/Precept	6,146	6,284	139			
<b><u>Cemetery</u></b>						
Expenditure	64,629	107,613	42,984	0	42,984	60.1%
Income/Precept	112,901	107,613	-5,288			
<b><u>Grants</u></b>						
Expenditure	20,663	16,500	-4,163	0	-4,163	125.2%
Income/Precept	16,530	16,500	-30			
<b><u>Diamond Centre</u></b>						
Expenditure	195,935	243,165	47,230	0	47,230	80.6%
Income/Precept	252,598	243,165	-9,433			
<b><u>Parks</u></b>						
Expenditure	98,523	214,951	116,428	0	116,428	45.8%
Income/Precept	194,763	194,951	188			
<b><u>Street Scene</u></b>						
Expenditure	31,450	86,840	55,390	0	55,390	36.2%
Precept	96,840	86,840	-10,000			
<b><u>Viking Community Hub</u></b>						
Expenditure	405,643	0	-405,643			
Precept	0					
<b><u>Held Funds</u></b>						
Expenditure	115					
Income	170					
<b><u>Totals</u></b>						
Expenditure	978,472	886,402	-92,070	0	313,688	110.4%
Income	623,400	157,858	-465,542			394.9%
Precept	708,544	708,544	0			
Transfers from reserves		20,000				
<b>Surplus / (Shortfall)</b>	<b>353,472</b>	<b>0</b>				

**Sprowston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

**Administration**

	<u>Actual</u>	<u>Annual</u>	<u>Variance to</u>	<u>Committed</u>	<u>Funds</u>	<u>% Budget</u>
	<u>Year to Date</u>	<u>Budget</u>	<u>Annual Total</u>	<u>Expenditure</u>	<u>Available</u>	<u>Spent</u>
<u>Expenditure</u>						
6001	Wages/Salaries	85,794	124,098	38,304	38,304	69.1%
6002	Employers Ni	8,481	11,015	2,534	2,534	77.0%
6003	Employers Superannuation	20,162	28,576	8,414	8,414	70.6%
7005	Administration - Building Repairs	35	800	765	765	0.0%
7008	Administration - Insurance	6,820	7,850	1,030	1,030	80.9% Zurich Ins
7009	Administration - Legal Fees	2,047	3,100	1,053	1,053	66.0%
7010	Administration - Bank Charges & Interest Charges	387	1,000	613	613	38.7%
7012	Administration - Audit Fees	2,001	3,700	1,700	1,700	54.1%
7013	Administration - Town News Letter	2,926	4,500	1,574	1,574	65.0%
7014	Administration - Election Expenses	6,573	0	-6,573	-6,573	0.0%
7015	Administration - Travelling	197	950	753	753	20.7%
7016	Administration - Phone/Communications	21	600	579	579	0.0%
7017	Administration - IT	9,629	8,100	-1,529	-1,529	118.9% Intouch/S
7018	Administration - Website	0	1,500	1,500	1,500	0.0%
7020	Administration - Postage	145	100	-45	-45	145.1%
7021	Administration - Stationery	663	900	237	237	73.7%
7022	Administration - Printing & Photocopying	610	600	-10	-10	101.6%
7023	Administration - Recreation Ground Council Office	872	0	-872	-872	0.0% Office sai
7024	Administration - Advertising	0	100	100	100	0.0%
7025	Administration - Subscriptions	1,730	2,500	770	770	69.2%
7026	Administration - Publications	0	60	60	60	0.0%
7027	Administration - Training	731	1,500	769	769	48.7%
7028	Administration - Health & Safety	0	200	200	200	0.0%
7029	Administration - Equipment Lease	1,180	1,500	320	320	78.6%
7030	Administration - Chairmans Allowance	28	200	172	172	13.9%
7040	Administration - Covid 19 Expenses	25	0	-25	-25	0.0%
7041	Administration - Recruitment Costs	6,891	7,500	609	609	91.9%
5002	Administration - Sundries & Contingencies	11	100	89	89	10.5%
<b>Total Expenditure</b>		<b>157,957</b>	<b>211,049</b>	<b>53,092</b>	<b>0</b>	<b>74.8%</b>
<u>Income</u>						
4006	Administration - Bank & Investment Income	0	1,500	1,500		
4021	Administration - CIL	442,448	0	-442,448		
4090	Administration - Precept	209,549	209,549	0		
			0	0		
<b>Total Income</b>		<b>651,997</b>	<b>211,049</b>	<b>-440,948</b>		
<b>Total Income Less CIL</b>		<b>209,549</b>		<b>1,500</b>		
<u>Transfer from reserves</u>		<b>0</b>	<b>0</b>			
<b>Surplus / (Shortfall)</b>		<b>494,040</b>	<b>0</b>			

**Sprowston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

**Allotments**

		<u>Actual</u>	<u>Annual</u>	<u>Variance to</u>	<u>Committed</u>	<u>Funds</u>	<u>% Budget</u>
		<u>Year to Date</u>	<u>Budget</u>	<u>Annual Total</u>	<u>Expenditure</u>	<u>Available</u>	<u>Spent</u>
	<u>Expenditure</u>						
6101	Allotments - Gross Pay	1,888	3,224	1,336		1,336	58.6%
6102	Allotments - Ers Ni	159	282	123		123	56.3%
6103	Allotments - Superannuation	426	758	332		332	56.3%
5101	Allotments - Vermin Control	480	620	140		140	77.4%
7104	Allotments - Water	599	800	201		201	74.8%
7106	Allotments - General Repairs	0	500	500		500	0.0%
5102	Allotments - Sundries & Contingencies	5	100	95		95	4.8%
	<b><u>Total Expenditure</u></b>	<b><u>3,557</u></b>	<b><u>6,284</u></b>	<b><u>2,727</u></b>	<b><u>0</u></b>	<b><u>2,727</u></b>	<b><u>56.6%</u></b>
	<u>Income</u>						
4101	Allotments - Allotment Rental	3,505	3,605	101			
4102	Allotments - Water Charges Received	762	800	38			
4091	Allotments - Precept	1,879	1,879	0			
			0	0			
	<b><u>Total Income</u></b>	<b><u>6,146</u></b>	<b><u>6,284</u></b>	<b><u>139</u></b>			
	<b><u>Surplus / (Shortfall)</u></b>	<b><u>2,588</u></b>	<b><u>0</u></b>				

Pest control annual invoice

**Sprowston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

<b><u>Cemetery</u></b>		<u>Actual</u>	<u>Annual</u>	<u>Variance to</u>	<u>Committed</u>	<u>Funds</u>	<u>% Budget</u>
		<u>Year to Date</u>	<u>Budget</u>	<u>Annual Total</u>	<u>Expenditure</u>	<u>Available</u>	<u>Spent</u>
<b><u>Expenditure</u></b>							
6201	Cemetery - Gross Pay	33,991	58,032	24,041		24,041	58.6%
6202	Cemetery - Ers Ni	2,861	5,080	2,219		2,219	56.3%
6203	Cemetery - Superannuation	7,677	13,638	5,961		5,961	56.3%
5201	Cemetery - Vermin Control	329	0	-329		-329	0.0%
5211	Cemetery - Trees, Shrubs & Plants	0	500	500		500	0.0%
5215	Cemetery - Waste Disposal & Skip Hire	1,111	2,000	889		889	55.6%
5220	Cemetery - Maintenance & Equipment	852	500	-352		-352	170.4%
5221	Cemetery - Memorial Wall Expenses	1,483	200	-1,283		-1,283	741.7%
5223	Cemetery - Memorial Safety Repairs	0	160	160		160	0.0%
7202	Cemetery - Rates	2,420	2,575	155		155	94.0%
7203	Cemetery - Heat & Light	171	618	447		447	27.6%
7204	Cemetery - Water	80	165	86		86	48.2%
7205	Cemetery - Opening/Closing Gates	0	1,545	1,545		1,545	0.0%
7207	Cemetery - Cleaning	0	500	500		500	0.0%
7208	Cemetery - Vehicle & Storage Shed	0	0	0		0	0.0%
7211	Cemetery - Loan Charges	13,603	22,000	8,397		8,397	61.8%
5202	Cemetery - Sundries & Contingencies	52	100	48		48	51.8%
<b><u>Total Expenditure</u></b>		<b>64,629</b>	<b>107,613</b>	<b>42,984</b>	<b>0</b>	<b>42,984</b>	<b>60.1%</b>
<b><u>Income</u></b>							
4203	Cemetery - Graves	62,181	48,410	-13,771			
4204	Cemetery - Interment	24,470	30,900	6,430			
4205	Cemetery - Memorials & Inscriptions	8,247	10,300	2,053			
4092	Cemetery - Precept	18,003	18,003	0			
		0	0	0			
<b><u>Total Income</u></b>		<b>112,901</b>	<b>107,613</b>	<b>-5,288</b>			
<u>Transfer from reserves</u>		0	0				
<b><u>Surplus / (Shortfall)</u></b>		<b>48,271</b>	<b>0</b>				

**Sprowston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

**Grants**

	<u>Actual</u> <u>Year to Date</u>	<u>Annual</u> <u>Budget</u>	<u>Variance to</u> <u>Annual Total</u>	<u>Committed</u> <u>Expenditure</u>	<u>Funds</u> <u>Available</u>	<u>% Budget</u> <u>Spent</u>
<u>Expenditure</u>						
5307 Grants - Donations	6,297	6,500	203		203	96.9%
5308 Grants - Sprowston Coronavirus Help Group Exp.	0	0	0		0	0.0%
5311 SYEP-Outreach Worker	14,366	10,000	-4,366		-4,366	143.7%
<b><u>Total Expenditure</u></b>	<b><u>20,663</u></b>	<b><u>16,500</u></b>	<b><u>-4,163</u></b>	<b><u>0</u></b>	<b><u>-4,163</u></b>	<b><u>125.2%</u></b>
<u>Income</u>						
4305 Grants- Corona Virus	0	0				
4307 Grants Textile Recycling Credits 2019/20	30	0	-30			
4321 Grants						
4093 Precept - Grant Element	16,500	16,500	0			
	0	0	0			
<b><u>Total Income</u></b>	<b><u>16,530</u></b>	<b><u>16,500</u></b>	<b><u>-30</u></b>			
<b><u>Surplus / (Shortfall)</u></b>	<b><u>(4,133)</u></b>	<b><u>0</u></b>				



**Sprowston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

**Diamond Centre**

	<u>Actual</u> Year to Date	<u>Annual</u> Budget	<u>Variance to</u> Annual Total	<u>Committed</u> Expenditure	<u>Funds</u> Available	<u>% Budget</u> Spent	
<u>Expenditure</u>							
5415	Diamond Centre - Waste Disposal & Skip Hire	459	650	191	191	70.7%	
5421	Diamond Centre - Room Hire Expenses	928	3,600	2,672	2,672	25.8%	
5422	Diamond Centre - Equipment/Purchases	692	1,000	308	308	69.2%	
5424	Diamond Centre - Nursery Costs	0	500	500	500	0.0%	
5425	Diamond Centre - Phase 4 Retention	0	0	0	0	0.0%	
7402	Diamond Centre - Rates	15,469	18,540	3,071	3,071	83.4%	
7403	Diamond Centre - Heat & Light	6,339	16,480	10,141	10,141	38.5%	
7404	Diamond Centre - Water	573	1,545	972	972	37.1%	
7405	Diamond Centre - Building Repairs	776	2,000	1,225	1,225	38.8%	
7406	Diamond Centre - General Repairs	38	0	-38	-38	0.0%	
7407	Diamond Centre - Cleaning & Supplies	55,179	77,250	22,071	22,071	71.4%	
7408	Diamond Centre - Maintenance	557	6,000	5,443	5,443	9.3%	
7411	Diamond Centre - Loan Charges	114,925	115,500	575	575	99.5%	
7416	Diamond Centre - Phone/Communications	0	0	0	0	0.0%	
5402	Diamond Centre - Sundries & Contingencies	0	100	100	100	0.0%	
	<b><u>Total Expenditure</u></b>	<b>195,935</b>	<b>243,165</b>	<b>47,230</b>	<b>0</b>	<b>47,230</b>	<b>80.6%</b>
<u>Income</u>							
4415	Diamond Centre - Hire of	49,558	40,000	-9,558			
4416	Diamond Centre - Field Hire	675	0	-675			
4417	Diamond Centre - Cinema Receipts	0	800	800			
4418	Diamond Centre - Grants Received	0	0	0			
4094	Diamond Centre - Precept	202,365	202,365	0			
		0	0	0			
	<b><u>Total Income</u></b>	<b>252,598</b>	<b>243,165</b>	<b>-9,433</b>			
	Transfer from reserves	0	0				
	<b><u>Surplus / (Shortfall)</u></b>	<b>56,663</b>	<b>0</b>				

**Sprowston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

**Parks**

	<u>Actual</u> <u>Year to Date</u>	<u>Annual</u> <u>Budget</u>	<u>Variance to</u> <u>Annual Total</u>	<u>Committed</u> <u>Expenditure</u>	<u>Funds</u> <u>Available</u>	<u>% Budget</u> <u>Spent</u>	
<u>Expenditure</u>							
6501	Parks - Gross Pay	39,656	67,703	28,047	28,047	58.6%	
6502	Parks - Ers Ni	3,337	5,926	2,589	2,589	56.3%	
6503	Parks - Superannuation	8,957	15,912	6,955	6,955	56.3%	
5508	Parks - Machinery/Tool Repair/Replace	6,211	25,000	18,790	18,790	24.8%	
5509	Parks - Playground Equipment Repairs	4,511	26,000	21,489	21,489	17.3%	
5510	Parks - Horticultural Consumables	0	2,060	2,060	2,060	0.0%	
5511	Parks - Trees, Shrubs & Plants	90	9,000	8,910	8,910	1.0%	
5512	Parks - Sports Pitches Consumables	849	1,030	182	182	82.4%	
5513	Parks - Paths, Seats & Signs, Shelter	2,682	4,000	1,318	1,318	67.1%	
5514	Parks - Fencing, Gates & Walls	82	3,000	2,918	2,918	2.7%	
5515	Parks - Waste Disposal & Skip Hire	1,724	2,500	776	776	69.0%	
5516	Parks - Fuel for Machinery	2,903	3,500	597	597	82.9%	
5517	Parks - Health & Safety inc Protective Clothing	3,306	5,000	1,694	1,694	66.1%	
5518	Parks - Pavilion	120	0	-120	-120	0.0%	
5520	Parks- Dogs & Litter Bins	0	6,695	6,695	6,695	0.0%	
7502	Parks - Rates	14,471	15,450	979	979	93.7%	
7503	Parks - Heat & Light	2,796	7,210	4,414	4,414	38.8%	
7504	Parks - Water	2,484	6,180	3,696	3,696	40.2%	
7505	Parks - Building Repairs	3,494	4,000	506	506	87.3%	
7507	Parks - Cleaning & Supplies	760	2,575	1,815	1,815	29.5%	
7511	Parks - Loan Charges	0	0	0	0	0.0%	
7516	Parks - Phone/Communications	27	110	84	84	24.1%	
7519	Parks - Training	0	2,000	2,000	2,000	0.0%	
5502	Parks - Sundries & Contingencies	66	100	34	34	65.8%	
<b><u>Total Expenditure</u></b>		<b>98,523</b>	<b>214,951</b>	<b>116,428</b>	<b>0</b>	<b>116,428</b>	<b>45.8%</b>
<u>Income</u>							
4508	Parks - Bowling Green Fees	3,319	3,811	492			
4509	Parks - Cricket Square Fees	75	90	15			
4510	Parks - Football Pitch Fees	5,483	4,635	-848			
4511	Parks - Tennis Court Fees	0	0	0			
4512	Parks - Pavillion Hire Fees	381	500	119			
4513	Parks - Delegated Verge Cutting	11,298	11,433	135			
4514	Parks - Grants Received	0	0	0			
4519	Parks - Recreation Ground Hire	785	824	39			
4520	Parks - Hire of Recreation Ground Office	13	250	237			
4095	Parks - Precept	173,408	173,408	0			
<b><u>Total Income</u></b>		<b>194,763</b>	<b>194,951</b>	<b>188</b>			
<u>Transfer from reserves</u>		<b>0</b>	<b>20,000</b>				
<b><u>Surplus / (Shortfall)</u></b>		<b>96,240</b>	<b>0</b>				



**Sprowston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

**Street Scene**

	<u>Actual</u> Year to Date	<u>Annual</u> Budget	<u>Variance to</u> <u>Annual Total</u>	<u>Committed</u> <u>Expenditure</u>	<u>Funds</u> <u>Available</u>	<u>% Budget</u> <u>Spent</u>	
<u>Expenditure</u>							
5603	Street Scene - Light Maintenance	6,111	12,000	5,890	5,890	50.9%	
5604	Street Scene - Notice Board & Signs	0	1,600	1,600	1,600	0.0%	
5605	Street Scene - Grass Verges	0	1,000	1,000	1,000	0.0%	
5606	Street Scene -Shelters	95	3,000	2,905	2,905	3.2%	
7603	Street Scene - Heat & Light	25,244	39,140	13,896	13,896	64.5%	
7611	Street Scene - Loan Charges	0	30,000	30,000	30,000	0.0%	
5602	Street Scene - Sundries & Contingencies	0	100	100	100	0.0%	
	<b><u>Total Expenditure</u></b>	<b>31,450</b>	<b>86,840</b>	<b>55,390</b>	<b>0</b>	<b>55,390</b>	<b>36.2%</b>
<u>Income</u>							
4096	Street Scene - Precept	86,840	86,840	0			
4308	Cllr Ward Local Member Fund Highways	10,000	0	-10,000			
	<b><u>Total Income</u></b>	<b>96,840</b>	<b>86,840</b>	<b>-10,000</b>			
	<b><u>Surplus / (Shortfall)</u></b>	<b>65,390</b>	<b>0</b>				

**Sproston Town Council year ending 31st March 2022**

**Detailed Income & Expenditure by Cost Centre year to date to**

31st December 2021

**Viking Community Hub Development**

Phase 5

	<u>Actual</u> Year to Date	<u>Annual</u> Budget	<u>Variance to</u> Annual Total	<u>Committed</u> Expenditure	<u>Funds</u> Available	<u>% Budget</u> Spent
<u>Expenditure</u>						
5701	Viking Hub - Purchase Costs	382,396	0	-382,396	-382,396	0.0%
5702	Viking Hub - Professional Fees	6,638	0	-6,638	-6,638	0.0%
5703	Viking Hub - Surveys, etc	8,438	0	-8,438	-8,438	0.0%
5704	Viking Hub - Water	0	0	0	0	0.0%
5705	Viking Hub - Caretaking/Cleaning	0	0	0	0	0.0%
5706	Viking Hub - Heat & Light	590	0	-590	-590	0.0%
5707	Viking Hub - Loan Charges	0	0	0	0	0.0%
5708	Viking Hub - Insurance	1,115	0	-1,115	-1,115	0.0%
5709	Viking Hub Rates	5,996	0	-5,996	-5,996	0.0%
5710	Viking Hub - Building Expenses	470	0	-470	-470	0.0%
	<b>Total Expenditure</b>	<b>405,643</b>	<b>0</b>	<b>-405,643</b>	<b>0</b>	<b>0.0%</b>
<u>Income</u>						
	Viking Hub - Rental income	0	0	0		
	<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>		
	<b>Surplus / (Shortfall)</b>	<b>(405,643)</b>	<b>0</b>			

Sprowston Town Council year ending 31st March 2020

Detailed Income & Expenditure by Cost Centre year to date to

31st December 2021

Dementia Café/Heritage

	<u>Actual</u> <u>Year to Date</u>	<u>Annual</u> <u>Budget</u>	<u>Variance to</u> <u>Annual Total</u>	<u>Committed</u> <u>Expenditure</u>	<u>Funds</u> <u>Available</u>	<u>% Budget</u> <u>Spent</u>
<u>Expenditure</u>						
5309 Dementia Café						
5309 Heritage Society	115					
<b><u>Total Expenditure</u></b>	<b>115</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<u>Income</u>						
4321 Dementia Café	170					
4321 Heritage Society			0	0		
<b><u>Total Income</u></b>	<b>170</b>		<b>0</b>			
<b><u>Surplus / (Shortfall)</u></b>	<b>55</b>					
Held funds @ 31/12/2021						
Dementia Café Fund		2873.17				
Heritage Fund		3054.74				

**Sprowston Town Council year ending 31st March 2022**

**Bank Accounts & Cash**

**31st December 2021**

1200	STC - General Account	28,656
1201	STC - Business Premium Account	0
1202	STC - Drawings Account	67
1203	STC - Salaries Account	4,331
1204	STC - Petty Cash Imprest Account	0
1205	STC - Treasury Deposits	0
1206	STC - Business Saver Account	0
1207	STC - Active Saver Account	1,063,658
1209	STC - Barclaycard Account	-149
1210	STC - Petty Cash Account	80

**Total Bank & Cash Balances**      **1,096,643**

**Cash Book**

Opening Balance 01/04/2021	745,871
Add: Total Cash Receipts in year	1,304,566
Deduct: Total Cash Payments in year	-953,795
Round Up	0
	<b><u>1,096,643</u></b>



## Sprowston Town Council year ending 31st March 2022

### Balance Sheet as at

31st December 2021

#### Current Assets

Sales Ledger	23,208
Other Debtors	0
Prepayments	
Vat Refund	4,169
Cash at Bank & in Hand	1,096,643

1,124,020

#### Current Liabilities

Purchase Ledger	24,678
Receipts in Advance	0
Sundry Creditors	0
Salaries	
Paye & Ni	0
Pensions	0

24,678

1,099,343

#### Reserves

Play Equipment Renewals Fund	30,000
Machinery Renewals Fund	20,000
Maintenance	25,000
Town Council Election Fund	6,000
Street Lighting Renewals Fund	45,000
CIL Reserve Fund	6,739
Contingency Reserve Fund	200,000
Capital Fund	0
Diamond Centre Phase 4 Fund	35,000
Viking Public House Development	0
Heritage Fund	3,055
Dementia Café Fund	2,873
General Fund	372,204
General Fund (P&L Acc) - current year	353,472

Round up

1,099,343

0

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## **Sprowston Town Council**

*Internal Audit Report: 2021-22 (Interim)*

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*Stuart J Pollard*

*Director  
Auditing Solutions Ltd*

## **Background and Scope**

Statute requires all town and parish councils to arrange for an independent Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2021-22 financial year both at our office in advance of and during the course of our interim visit to the Council on 10<sup>th</sup> January 2022. We thank the Town Clerk and his staff for their help in the process, providing documentation in both hard copy and electronic format to facilitate commencement of our review for the year.

## **Internal Audit Approach**

In undertaking our review, we have again paid due regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover, as applied to all clients, is designed to afford appropriate assurance that the Council's financial systems and governance controls are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the IA Certificate in the Council's AGAR, which requires independent assurance over a selection of internal control objectives.

## **Overall Conclusion**

On the basis of the work undertaken to date, we are pleased to conclude that the Council continues to maintain adequate and effective systems of internal control. The records held in support of the accounting transactions continue to be of a high standard and provide an effective audit trail, with clear cross-referencing of all relevant documentation. We have, however, identified a few areas where we consider that some action is required to further strengthen controls, protect the Council and improve audit trails: detail of these such issues is identified in the body of the report with resultant recommendations further summarised in the appended Action Plan.

# Detailed Report

## Accounting and banking arrangements

Our objective here is to ensure that the accounting records are being maintained accurately and kept up to date, that no anomalous entries appear in cashbooks or financial ledgers and that appropriate banking arrangements are in place.

The accounts are maintained by the Finance/Administrative Officer (FAO) using the Sage accounting software, which we consider adequate for the Council's purposes.

The Council operates five bank accounts currently with Barclays Bank Plc including the General, Drawings and Salaries Accounts in use for day-to-day transactions, with "surplus" funds held in two instant access savings accounts (Active and Business Saver).

We have to date: -

- Ensured that the opening balance for 2021-22 in the Sage accounting software agrees with that in the 2020-21 Statement of Accounts and AGAR;
- Ensured that the financial ledger remains "in balance" as of 30<sup>th</sup> November 2021;
- Examined the nominal ledger coding structure which we consider remains appropriate;
- Examined four months' transactions (April to June and November 2021) as recorded in Sage for the Current account, agreeing detail to the supporting bank statements;
- Reviewed transactions for the financial year to 31<sup>st</sup> October 2021 on all other accounts agreeing detail to the underlying bank statements;
- Reviewed and agreed bank reconciliations on all accounts as at 30<sup>th</sup> June & September 2021; and
- Noted that bank reconciliations continue to be reviewed by the Town Mayor quarterly, in accordance with our previous recommendation.

### Conclusions

*We are pleased to record that we have identified no issues warranting formal comment or recommendation at this stage of our review. We will undertake further work at our final review including testing further months' transactions and bank reconciliations and ensuring the accurate disclosure of the combined cash and bank balances in the year's AGAR at Section 2, Box 8.*

## Review of Corporate Governance

Our objective is to confirm that the Council has robust corporate governance arrangements in place and that, as far as we may reasonably be expected to ascertain as we do not attend Council meetings, all meetings are conducted in accordance with the adopted Standing Orders (SOs) and that no actions of a potentially unlawful nature have been or are being considered for implementation.

We have reviewed the Council's minutes for the financial year to date, as posted on the Council's website, to ensure that no issues exist or appear likely to develop affecting the Council's present or future financial stability, through litigation or other causes.

We note that both SOs and Financial Regulations (FRs) were reviewed and re-adopted at the Council meeting in May 2021, with an amendment to the Clerk's delegated spending authority, increasing it to £5,000.

We have recorded previously the existence of a range of detailed financial procedures underpinning the Financial Regulations, which we consider an example of best practice.

We are also pleased to note that the external auditors have signed-off the 2020-21 AGAR with no qualification or other adverse comments.

### **Conclusions**

*No matters arise in this area currently: we shall continue to assess the Council's approach to governance issues at future reviews, also extending our review of minutes for the remainder of the financial year.*

## **Review of Expenditure & VAT**

Our objective is to ensure that:

- Council resources are released in accordance with the approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and / or an acknowledgement of receipt, where no other form of invoice is available;
- An official order is raised, where relevant: we acknowledge that this will not be necessary for most items of expenditure, which are regularly the subject of contracts (e.g., electricity supply) or legal requirements (e.g., non-domestic rates);
- Any discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed, and
- VAT has been identified correctly and coded to the control account for periodic recovery.

We have selected a sample of payments processed in the year to 30<sup>th</sup> November 2021 for compliance with the above criteria. Our test sample includes all individual payments over £2,500, together with a more random selection of every 30<sup>th</sup> "cashbook" transaction irrespective of value comprising 57 payments totalling £631,690 and equating to 83% by value of all non-pay related payments processed during the year to the above date.

The Council also has a commercial Barclaycard with an overall credit limit of £6,000, which has largely superseded the use of petty cash. The card is held by the Town Clerk and is used primarily for internet purchases and the purchase of fuel for the Council's vehicle, with settlement in full each month by direct debit. Details of the transactions on this account continue to be presented to members for approval in the same manner as all other supplier payments. Our above test sample includes 3 such credit card purchases with no issues arising.

We again note that VAT reclaims are prepared and submitted to HMRC quarterly and have agreed their detail to the relevant nominal ledger control account balance.

## **Conclusions**

*No issues arise in this area currently warranting formal comment or recommendation with all payments in our test sample appropriately supported. We shall extend the test sample for the remainder of the year at our final visit also examining further VAT Reclaims.*

*We note that the Council has approved the engagement of DCK Accounting to provide VAT advice following the Council's acquisition of the former Viking Public House and will monitor the outcome of their work at our final review.*

## **Assessment and Management of Risk**

Our objective is to confirm that the Council has appropriate arrangements in place to identify potential areas of risk of both a financial and health & safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity of their coming to fruition.

The Council's insurance cover is provided by Zurich under a long-term agreement to 1<sup>st</sup> April 2024. We have examined the policy schedule for the year to 31<sup>st</sup> March 2022 noting that Public and Employer's Liability cover stand at £15 million and £10 million respectively, together with Fidelity Guarantee (FG) cover set at £500,000: we also note the existence of Business Interruption– Loss of revenue cover at £113,000, which we consider generally appropriate for the Council's present requirements, although with funds currently held in excess of £600,000, we suggest that consideration be given to increasing the value of the existing FG cover – the former Audit Commission used to recommend that this cover should be set at the year-end closing balance plus 50% of the subsequent year's precept, which would indicate a required and increased insurance value of approximately £1.1 million.

We are pleased to note that the Financial Risk Assessment has been reviewed and re-adopted at the Council meeting on 26<sup>th</sup> May 2021 and have reviewed the document and consider it appropriate for the Council's ongoing requirements.

Periodic inspections of play areas and equipment continue to be undertaken by Zurich, supplementing daily and quarterly reviews undertaken by grounds staff. Currently, the results of these reviews are reported to the Committee / Administrative Officer, who maintains a record of issues identified and ensuring appropriate action is taken.

## **Conclusions and recommendation**

*Whilst no significant concerns arise in this area, we urge that the Council consider increasing the level of Fidelity Guaranteed cover to a more appropriate level based on the funds held currently. We shall continue to monitor the Council's approach to risk management at future visits.*

*R1. The Council should review the current level of Fidelity Guarantee cover in place ideally increasing it as a minimum to reflect the value of retained funds in the Council's bank accounts.*

## **Budgetary Control and Reserves**

Our objective here is to ensure that the Council has robust procedures in place for identifying and approving its future budgetary requirements and the level of Precept to be drawn down from the

District Council, also that an effective budget reporting and monitoring process is in place. We also consider whether the Council is retaining sufficient funds in earmarked and general reserves to finance its ongoing spending plans and to cover any unplanned expenditure that might arise.

We are pleased to note that, following due deliberation, the Council has agreed its budgetary and precept requirement for 2022-23 adopting the latter at £743,973 at the full Council meeting held in December 2021.

We are pleased to note that members continue to be provided with appropriate financial and budget monitoring reports each quarter, affording members the opportunity for questioning any apparent anomalies, over or under spends that may have occurred in the year to date. We have reviewed the content of the most recent report presented to members as at 30<sup>th</sup> September 2021 seeking and acquiring appropriate explanations for the one or two significant variances that existed at that date.

### **Conclusions**

*We are pleased to record that no issues arise in this area currently warranting formal comment or recommendation. We shall undertake further work in this area at our final review, examining the final year-end budget outturn and assessing the ongoing appropriateness of the retained reserves to finance the Council's future revenue spending requirements and any development aspirations.*

## **Review of Income**

In this review area we aim to ensure that income due to the Council is identified, invoiced (where applicable), recovered at the appropriate rate and banked within a reasonable timescale in accordance with the adopted FRs.

The Council receives income from a variety of sources, including hire fees for use of the Diamond Centre, fees from the cemetery and related activities, allotment rentals, letting of sports facilities, bank interest and recoverable VAT. Obviously, the Covid pandemic had an adverse effect on income from both the hire of the Diamond Centre and sports pitches in 2020-21, with a similar impact in the early months of 2021-22.

We note that members continue to review the Council's scales of fees and charges annually, in accordance with the FRs with those for 2021-22 approved as part of the budget setting process, where it was also agreed that the allotment rents and water charges would remain unchanged from 1<sup>st</sup> October 2021.

We have examined the Burial Register selecting a sample of 15 interments in October and November 2021 ensuring that each is supported by an undertaker's application, together with the legally required burial / cremation certificates, also that the appropriate fees have been charged and recovered in a timely manner with no issues arising.

We have also examined a week's (that commencing 15<sup>th</sup> November 2021) bookings at the Diamond Centre ensuring that appropriate booking forms were held and that the appropriate fees were charged in accordance with the published scales and that they have been settled in a timely manner.

We have also reviewed the allotment register ensuring that appropriately priced invoices were raised for all allotment holders for the year commencing 1<sup>st</sup> October 2021 also ensuring that the fees have been settled appropriately and in a timely manner.

We have also examined the files of sales invoices raised since 1<sup>st</sup> October 2021 noting that they do not identify the dates of receipt of the fees charged in each case. Whilst we appreciate that the Sage Sales Ledger provides a record of the outstanding unpaid accounts at any point in time, we have suggested to the Town Clerk and Finance Officer that, to further enhance the ease of identifying unpaid accounts and provide a clear audit trail as to the settlement of the accounts, the top righthand corner of settled invoices be cut off and that the settlement date also be recorded thereon.

We have also examined the current Aged Debtors report generated by the Sage accounts noting that there are a number of unpaid debts raised three or more months prior to the current date, together with a few “unmatched” receipts. We have discussed the position with the Finance Officer and urge that appropriate action is taken to pursue all long-standing unpaid accounts whilst “clearing” the unmatched receipts.

Finally in this area, we have as part of our expenditure review notes the receipt of two Covid related grants (£12,000 and £8,000) from the District Council (DC) which were subsequently repaid as the DC determined that the grants were not strictly payable to the Council. The repayments have been coded as an expense, which will result in the overstatement of both receipts and payments at Boxes 3 & 6 of the year’s AGAR. The repayments should have been coded as negative receipts and will require adjustment in the accounts before the financial year-end closedown takes place.

### ***Conclusions and recommendations***

***We are pleased to record that no significant concerns have been identified in this area, although we consider that improved procedures should be implemented to strengthen the audit trail and afford officers a simple visual means of identifying any unpaid accounts: we also consider that positive action is required to pursue outstanding debts and clear any “unmatched” receipts.***

- R2. Consideration should be given to clipping the top right-hand corner off of sales invoices also recording the payment receipt date to provide a simple means of identifying those unpaid accounts, whilst also affording a clear audit trail to the dates of receipt.*
- R3. Positive action should be taken to pursue all outstanding unpaid debts at regular intervals, especially those issued more than three months previously.*
- R4. The few “unmatched” receipts in existence should also be pursued to either reimburse the payees or clear them from the Sage Sales Ledger.*
- R5. The refunds of the £12,000 and £8,000 grants to the District Council should be recorded in the Sage accounts as a contra to income rather than as an expense.*

## **Petty Cash Account**

We are required, as part of the IA Certification process, to confirm that effective controls are in place and operated over any petty cash accounts in use at the Council.

As noted earlier in this report, the Council’s petty cash account has, to a large extent, been superseded by the use of the Barclaycard. We have, however, reviewed the few petty cash account transactions for the year to date ensuring that all payments processed were appropriately

supported: we have also checked the physical cash holding at the time of this review visit noting a surplus holding of 20p.

### **Conclusions**

*No issues have been identified in this review area this year warranting formal comment or recommendation, although the identified minimal cash surplus should be rectified with the next reimbursement.*

## **Review of Staff Salaries**

In examining the Council's payroll function, we aim to ensure that extant employment legislation is being adhered to, that the requirements of HMRC legislation are satisfied regarding the deduction and payment over of income tax and NI contributions and that the requirements of the local government pension scheme are also met.

The Clerk has provided us with detail of each member of staff NJC Spinal Point, together with their basic weekly contracted hours, and, where they are paid on a non-NJC scale point at a fixed hourly rate, that detail.

To confirm compliance with the above criteria, we have examined detail of staff salaries processed in December 2021, ensuring that: -

- The amounts paid to employees agree to the approved employee pay rates based on the 2020-21 national pay award: we understand that negotiations on the 2021-22 NJC pay award are continuing and, if agreed and implemented prior to the year-end, we will check their accurate implementation at the time of our final review;
- PAYE tax codes and National Insurance contribution tables are being accurately applied;
- The correct local authority pension scheme percentage deductions are being applied, noting one instance where a part time worker's deduction has been erroneously calculated at 6.5% based on the full-time equivalent salary rather than 5.5%, which should be applied based on her actual monthly / annual salary;
- Net payments to staff agreed to the payslip details and to the resultant electronic BACS payments made; and
- The correct payments have been made to HMRC and the Norfolk Pension Fund.

### **Conclusions and recommendation**

*Whilst no significant concerns have been identified in this area, the incorrectly applied pension percentage contribution for the one staff member referred to above will require amendment going forward together with consideration of whether the preceding months' contributions should also be amended: this will potentially impact on the tax deducted to date in the year as tax is calculated on gross pay less the individual's pension contribution.*

R6. *The incorrectly applied pension contribution rate for one of the two part time staff should be amended appropriately with further consideration of the tax implications if the prior month contributions are amended.*

## **Investments and Loans**

Our objectives here are to ensure that the Council is investing “surplus funds”, be they held temporarily or on a longer term basis, in appropriate banking and investment institutions; that an appropriate investment policy is in place; that the Council is obtaining the best rate of return on any such investments made; that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

At present, the Council does not hold any long-term investments (i.e. deposits with a maturity term longer than 12 months) with all funds currently held in accounts with Barclays Bank: whilst we appreciate the adverse effect that the Covid situation has had on interest rates and the availability of investment accounts generating a reasonable rate of interest, the retention of all funds in once account leaves the Council potentially exposed to significant financial risk should, albeit improbable, Barclays “fail”. Whilst we cannot act as financial advisors, we have advised the Town Clerk of details of a few banking institutions being used by several of our other clients to generate a degree of interest.

We noted in last year’s final report, that a revised Treasury Management Strategy was approved by the Council at its meeting in March 2021, with the Clerk providing various options for future investments.

The Council currently has a number of PWLB loans in place with detail of repayments made to date in the financial year verified as part of our above referenced expenditure review.

### ***Conclusions and recommendation***

***No matters of concern arise in this area currently, although we urge the Council to give further and urgent consideration to the diversification of the placement of surplus funds to reduce the risk of financial loss should Barclays ever “fail”. We shall check the second half-yearly loan repayments as part of our extended expenditure review at our final visit, also ensuring the accurate disclosure of the residual loan liability in the AGAR at Section 2, Box 10 by reference to the UK Debt Agency website where detail of all such Local Government loans is reported.***

***R7. The Council should give further urgent consideration to the placement of surplus funds in alternative banking institutions to reduce the potential risk of loss should Barclays ever “fail”.***

Rec. No.	Recommendation	Response
<b>Assessment and Management of Risk</b>		
R1	The Council should review the current level of Fidelity Guarantee cover in place ideally increasing it as a minimum to reflect the value of retained funds in the Council's bank accounts.	
<b>Review of Income</b>		
R2	Consideration should be given to clipping the top right-hand corner off of sales invoices also recording the payment receipt date to provide a simple means of identifying those unpaid accounts, whilst also affording a clear audit trail to the dates of receipt.	
R3	Positive action should be taken to pursue all outstanding unpaid debts at regular intervals, especially those issued more than three months previously.	
R4	The few "unmatched" receipts in existence should also be pursued to either reimburse the payees or clear them from the Sage Sales Ledger.	
R5	The refunds of the £12,000 and £8,000 grants to the District Council should be recorded in the Sage accounts as a contra to income rather than as an expense.	
<b>Review of Staff Salaries</b>		
R6	The incorrectly applied pension contribution rate for one of the two part time staff should be amended appropriately with further consideration of the tax implications if the prior month contributions are amended.	
<b>Investments &amp; Loans</b>		
R7	The Council should give further urgent consideration to the placement of surplus funds in alternative banking institutions to reduce the potential risk of loss should Barclays ever "fail".	

Sprowston Town Council

Payments

Meeting Date: 02nd February 2022

<u>Invoice Date</u>	<u>Invoice No.</u>	<u>Details</u>	<u>Net</u>	<u>VAT</u>	<u>Amount</u> BACS
24/01/2022	73848	Anglian Air Conditioning Maintenance servicing to all aircon systems	348.00	69.60	417.60
17/12/2021	689744	Broadland District Council Dog bin emptying 01/04/21 - 31/03/22	4,350.80	-	4350.80
17/12/2021	689744	Litter bin emptying 01/04/21 - 31/03/22	1,708.20	-	1708.20
			<b>6,059.00</b>	<b>-</b>	<b>6059.00</b>
16/01/2022	6406	Cozens Monthly streetlighting maintenance	600.00	120.00	720.00
13/01/2022	4	Emily Ling Mileage expenses 22/11/21 - 09/12/21	7.88	1.57	9.45
21/01/2022	11599	G&G Fencing Ltd Barkers Lane Fencing and Gate	1,417.00	283.40	1700.40
14/01/2022	5975	HH Tankering Empty Septic tank at Sprowston cemetery	129.00	25.80	154.80
18/01/2022	727120	Intouch Call and service charges for December	26.63	5.33	31.96
17/01/2022	40409	Minuteman Press Printed A0 and A1 plans for Viking Consultation	140.00	28.00	168.00
<b>TOTAL OF INVOICES</b>			<b>8,727.51</b>	<b>533.70</b>	<b>9,261.21</b> Trf 32
<b>Transfer:</b>		STC Drawings a/c to Petty Cash	-	-	-
			<b>8,727.51</b>	<b>533.70</b>	<b>9,261.21</b>

<b>Transfer:</b>	STC Active to STC Drawings a/c	<b>8,727.51</b>	<b>533.70</b>	<u><b>9,261.21</b></u>	Trf 33
<b>Transfer:</b>	STC Active a/c to Salaries a/c	20,000.00	-	20,000.00	Trf 34

.....  
Councillor                      Councillor

.....  
Town Clerk

**Sprowston Town Council**

**Direct Debit Payments**

**Meeting**

**Date: 02nd February 2022**

<u>Invoice Date</u>	<u>Invoice No.</u>	<u>Details</u>	<u>Net</u>	<u>VAT</u>	<u>Amount</u>	<u>DIRECT</u>
The AF Group						
31/12/2021	855088	Vodafone charges - Groundsman phone	2.11	0.42	2.53	
PHS Group						
25/01/2022	68825754	Sanitary Disposal, hand dryer hire and soap dispenser 01/03/22 - 31/05/22	339.79	67.96	407.75	
25/01/2022	68825755	Sanitary Disposal at Sparhawk 01/03/22 - 31/05/2022	51.48	10.30	61.78	
25/01/2022	68825756	Sanitary Disposal at Recreation ground 01/03/22 - 31/05/2022	56.03	11.21	67.24	
			<b>447.30</b>	<b>89.47</b>	<b>536.77</b>	
Total Gas and Power						
08/01/2022	255793477/22	Electricity Diamond Centre 01/12/21 - 31/12/21	507.06	101.41	608.47	
08/01/2022	255793466/22	Electricity Flood Lights 01/12/21 - 31/12/21	13.03	0.66	13.69	
08/01/2022	255738554/22	Electricity Street Lights 01/12/21 - 31/12/21	4,027.75	805.56	4833.31	
			<b>4,547.84</b>	<b>907.63</b>	<b>5455.47</b>	
Total Direct Debits			<b>4,997.25</b>	<b>997.52</b>	<b>5,994.77</b>	