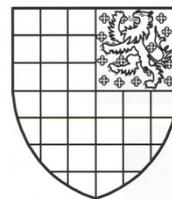


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**LEWES  
TOWN  
COUNCIL**

### To All Members of Lewes Town Council

A Meeting of **Lewes Town Council** will be held on **Thursday 15<sup>th</sup> June 2017**,  
in the **Council Chamber, Town Hall, Lewes** at **7:30 pm** which you are summoned to attend.

S Brigden, Town Clerk  
8<sup>th</sup> June 2017

### **AGENDA**

#### **1. QUESTION TIME**

To consider any questions received regarding items on the agenda for this meeting.

#### **2. MEMBERS' DECLARATIONS OF INTERESTS**

To note any declarations of personal or prejudicial interest in items to be considered at this meeting.

#### **3. APOLOGIES FOR ABSENCE**

To consider apologies tendered by Members unable to attend the meeting.

#### **4. MAYOR'S ANNOUNCEMENTS**

To receive any announcements from the Mayor.

#### **5. MINUTES**

To agree Minutes of the Council's meeting held on 18<sup>th</sup> May 2017.

*(attached page 3)*

#### **6. WORKING PARTIES & OUTSIDE BODIES**

To consider matters arising from working parties; members serving on outside bodies *etc.*

a) *Meeting with Compass Travel 18<sup>th</sup> May 2017*

*(oral report by Cllr Dr Mayben)*

b) *'Railfutures' meeting 1<sup>st</sup> June 2017*

*(oral report by Cllr Catlin)*

c) *Grants Panel recommendations 7<sup>th</sup> June 2017*

*(report FC001/2017 attached page 5)*

d) *Audit Panel 12<sup>th</sup> June 2017*

*(oral report by the Panel Chairman)*

e) *Annual Town Meeting 2017*

*(notes attached page 7)*

f) *Citizens' Advice Bureau*

*(oral report by Cllr R Murray)*

g) *Neighbourhood Plan Steering Group update*

*(oral report by the group Chairman)*

#### **7. INTERNAL AUDITOR'S REPORT**

To receive the Internal Auditor's final report *iro* year ended 31<sup>st</sup> March 2017

*(attached page 10)*

#### **8. ANNUAL RETURN & ACCOUNTS Year ended 31st March 2017**

To consider annual accounts and associated information

*(report FC002/2017 attached page 39)*

#### **9. CORPORATE RISK ASSESSMENT 2017/18**

To note the annual risk assessment

*(report FC003/2017 attached page 61)*

#### **10. COUNCILLORS INDIVIDUAL DUTIES**

To consider allotment of duties to individual Members

*(report FC004/2017 attached page 64)*

#### **11. INTERNATIONAL DAY OF PEACE – 21<sup>st</sup> September 2017**

To consider support for this initiative

*(NOM006/2017 attached page 66)*

#### **12. UPDATE ON MATTERS IN PROGRESS**

*(Oral report by Town Clerk)*

#### **13. NOTICE of ITEMS IN PROSPECT**

*(Oral report by Town Clerk)*

***For further information about items on this agenda please contact the Town Clerk at the above address***

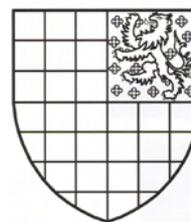
**This agenda and supporting papers can be downloaded from [www.lewes-tc.gov.uk](http://www.lewes-tc.gov.uk)**

**PUBLIC ATTENDANCE:** Members of the public have the right, and are welcome, to attend meetings of the Council – questions regarding items on the agenda may be heard at the start of each meeting with the Chairman's consent, subject to time available. Questions or requests to address the Council should, whenever possible, be submitted in writing to the Town Clerk at least 24 hours in advance.  
General questions can be raised at our offices between 9am-5pm Mons- Thurs 9am- 4pm on Fridays – when our staff will be pleased to assist.

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## ***MINUTES***

Of the **43<sup>rd</sup> ANNUAL MEETING of Lewes Town Council**,  
held on **Thursday 18<sup>th</sup> May 2017**, in the **Council Chamber, Town Hall, Lewes** at **7:00pm**.

**PRESENT** Councillors A Ashby; J Baah; A Barker; R Burrows; S Catlin (Wischhusen); M Chartier; W Elliott; H Jones; J Lamb; Dr G Mayhew; M Milner; R Murray; S Murray and R O'Keeffe.

*In attendance: S Brigden (Town Clerk); Mrs F Garth (Civic Officer & Asst Town Clerk); L Symons (Macebearer); Canon R Moatt (Council Chaplain).*

There were 83 guests and civic dignitaries assembled.

The meeting opened with Cllr Dr Mayhew in the Chair, as outgoing Mayor.

**FC2017/01 ELECTION OF MAYOR:** Cllr Chartier was elected as Mayor for the 2017/18 municipal year.

**FC2017/02 MAYOR'S DECLARATION OF ACCEPTANCE OF OFFICE:** Cllr Chartier made his declaration of acceptance of the office of Mayor as prescribed by s83(4) of the Local Government Act 1972, before Council and assembled guests, and signed a deed to that effect.

*Cllr Chartier took the chair for the remainder of the meeting*

Cllr Chartier addressed the assembly, thanking his colleagues for the honour of the Mayoralty. He described his 34 years of unbroken service with the Council, and five previous Mayoralties, along with his outlook for the forthcoming Mayoral year. He announced that the organizations he had chosen to support would be the Friends of Lewes Victoria Hospital and the Lewes & District Talking Newspaper Association. He introduced his Mayoress, Mrs Monica Chartier, who would once again support him during the forthcoming year, and the Council's Chaplain: Canon Richard Moatt.

**FC2017/03 APOLOGIES FOR ABSENCE:** Apologies had been received from Cllr Bolt, who had a work commitment; Cllr Rowell, who cited conflicts of personal principles with the ceremonial context of the meeting; and Cllr Watts who, through her work, was heavily involved with National Dementia Awareness Week. No message had been received from Cllr Makepeace. **It was resolved that:**

**FC2017/03.1** The reasons submitted for absence from this meeting are noted.

**FC2017/04 ELECTION OF DEPUTY MAYOR:** Cllr Janet Baah was elected as Deputy Mayor for the 2017/18 municipal year.

**FC2017/05 DEPUTY MAYOR'S DECLARATION OF ACCEPTANCE OF OFFICE:**  
Cllr Baah made her declaration of acceptance of the office of Deputy Mayor before Council and assembled guests, and signed a deed to that effect. She offered a short speech of thanks for the honour conferred upon her.

**FC2017/06 VOTE OF THANKS:** Council considered the motion (NM001/17) :

“That this Council records its thanks to Cllr Dr Graham Mayhew, and appreciation for his service to the council and community of Lewes in the office of Mayor during the past year.”

This went on to describe Cllr Mayhew's term as Mayor, and highlighted salient features; functions, and events he had attended and his tireless work throughout the year to raise money (more than £7,000) for his chosen good causes – always closely supported by his Mayoress; Penny.

It was **resolved FC2017/06.1** accordingly.

Cllr Mayhew replied at length, describing his own view of the past year and adding thanks to all those individuals who had helped throughout his service as Mayor.

**FC2017/07 PRESENTATIONS:** The outgoing Mayor and Mayoress were presented with gifts in recognition of their service in the past year. Cllr Mayhew explained that cheques had been presented to his three chosen good causes at an event the previous week; and then presented a gift to Canon Moatt, the Council's Chaplain, for his work in support of the Council.

The meeting then moved on to deal with items of ordinary business.

**FC2017/08 MINUTES:** the minutes of the meeting held on 6<sup>th</sup> April 2017 were received and signed as an accurate record.

**FC2017/09 ATTENDANCE RECORD OF COUNCILLORS:**  
The attendance record of councillors for the previous municipal year was noted. (*copy in minute book*)

**FC2017/10 INDIVIDUAL RESPONSIBILITIES of COUNCILLORS 2017/18:**  
A motion (NM002/17) was proposed, and it was **resolved that:**  
**FC2017/10.1** The individual responsibilities of Members for the ensuing municipal year shall be as shown in the list (*copy in minute book*) attached to the agenda for the meeting of Council on 18<sup>th</sup> May 2017.

**FC2017/11 APPOINTMENTS OF REPRESENTATIVES TO OUTSIDE BODIES:**  
A motion (NM003/17) was proposed, and it was **resolved that:**  
**FC2017/11.1** The Council's representatives on outside bodies, for the ensuing municipal year, shall be as shown in the list (*copy in minute book*) attached to the agenda for the meeting of Council on 18<sup>th</sup> May 2017.

**FC2017/12 BANK SIGNATURE AUTHORITY:**  
A motion (NM004/17) was proposed, and it was **resolved that:**  
**FC2017/12.1** The Council approves the authorization of Councillors as signatories to the Council's bank account: as shown in the list (*copy in minute book*) attached to the agenda for the meeting of Council on 18<sup>th</sup> May 2017.

**FC2017/13 COUNCIL MEMBERSHIP OF NATIONAL AND LOCAL ASSOCIATIONS:**  
A motion (NM005/17) was proposed, and it was **resolved that:**  
**FC2017/13.1** The Town Clerk be asked to ensure the Council's continued membership of approved national and local organizations representing Parish and Town Councils.

There being no further business the Mayor closed the meeting and invited all present to join him in attending the Civic Reception in the Assembly Room. *The meeting ended at 7:50pm*

Signed: .....

Date: .....

Agenda Item No: 6 c)

Report No: FC001/2017

Report Title: Grants panel recommendations – 7<sup>th</sup> June 2017

Report To: Full Council

Date: 15<sup>th</sup> June 2017

Report By: S Brigden, Town Clerk

**Purpose of Report:** To recommend payment of grants as suggested by the Grants Panel, following its meeting on 7<sup>th</sup> June 2017 (the first of four cycles for 2017/18)

**Recommendation(s):**

- 1 That the grant payments recommended in this report (as shown in column **G** of the appended table) be approved.

---

**Information:**

1 The Grants Panel met on 7<sup>th</sup> June 2017. **20** applications were considered, with requests for support in the sum total of **£26,699**.

2 Assessing applications were: Cllrs Burrows; Jones; Murray (S) and O’Keeffe. No message had been received from Cllr Watts.

3 Using the system approved by Council, each panellist evaluated applications on their merits in five categories:

- 1 Closeness of match to Lewes Town Council’s grant scheme policy
- 2 Overall “robustness” of the proposal – general likelihood of success/sustainability
- 3 Financial planning exhibited - adequacy/prudence/appropriateness *etc.*
- 4 Scope and sustainability of the proposal – beneficiaries; scale; thoroughness
- 5 A personal (subjective) assessment, based on any special insight or considerations.

Where recommended awards are below the amount requested by the applicant, the details of the proposal were carefully scrutinized as to the appropriateness of the sum requested in relation to the overall scheme or project budget, and alignment with the Council’s published aims. Also considered were factors such as the balance or proportion of Council funding compared with other sources and the applicant’s own funds, and other detail elements.

4 **The recommended grant awards for this cycle are shown at column G, below.**

Recommended grant awards for this cycle amount to **£12,448** in total.

Salient points, considered by panellists during their deliberation and influencing their final recommendations (noted/highlighted in column H below, where appropriate), fall into the areas of:

- ⊕ No other funding sought.
- ⊕ Sum requested disproportionate to own assets or contribution to scheme or project.
- ⊕ Sum requested from parish disproportionate to total cost of scheme or project.
- ⊕ Project or scheme mis-matched with parish council powers or LTC’s scheme policy.
- ⊕ Sum recommended is considered to be an appropriate/proportionate parish contribution.

S Brigden  
8<sup>th</sup> June 2017



# MINUTES

of the Annual Town Meeting for the civil parish of Lewes  
held on **Tuesday 20<sup>th</sup> April 2017**, in the **Council Chamber, Town Hall, Lewes at 6:30pm.**

**PRESENT:** Cllr M Chartier (Deputy Mayor) *Chairman for the meeting.*

*In attendance:* S Brigden (*Town Clerk [TC]*); Ms F Garth (*Asst Town Clerk and Civic Officer*); M Larkin (*Town Hall Keeper*)

There were **27** electors present, in addition to **9** Town Councillors among the assembly (who were also electors).

## **ATM2017/01 WELCOME:**

Cllr Chartier opened the meeting with a brief word of welcome. He re-emphasized that the Annual Town Meeting was not a meeting of the Town Council, but a general forum of the town's electors. He noted the prevailing climate associated with imminent elections and explained that if matters raised were more properly within the remit of either the District or County Council, or another body, they could nonetheless be discussed and appropriate notes recorded for onward referral.

## **ATM2017/02 ELECTORS' FORUM:**

1 The matter of general pride in the town was raised, and some expressed dismay at the "grubbiness" apparent in some areas. Litter and poorly-maintained flower beds were cited as evidence of a general decline in standards. Cllr Catlin was singled-out for praise for his work in tending flowerbeds in highly-visible locations. It was noted that street cleansing was the responsibility of Lewes District Council, and minutes of the meeting would be passed to them with attention drawn to this complaint.

A Councillor reported that, in Malling, the area was cleaned by local volunteers and it was recognized that other councillors similarly helped in different parts of town.

It was stated by one resident that such issues benefitted when a single person or organization was responsible for standards. This led to a brief discussion regarding the transfer of ownership of Malling Recreation Ground, Landport Bottom, and other sites from Lewes District Council to the Town Council. This process was taking far longer than originally envisaged, but the aim was to improve local standards of maintenance.

The 'Wildflower Lewes' initiative was cited as a mark of pride in the town, and this had growing support. It was reported that the managers of a restaurant in the town centre proposed to restrict, to their evening service only, the provision of ashtrays at tables adjacent a decorative flower planter. It was hoped that they may respond to a letter from the Council outlining the need, at all times, for their smoking patrons to be given incentives to avoid using the planter.

2 There were some questions as to the operation of the 20mph speed limit within the town. It was understood that the County Council had provided the minimum signage necessary to implement the scheme, to minimize the visual impact on the historic townscape. Signs painted on the road surface were extremely worn and faded and it was considered that the scheme needed a higher profile if it were to be effective. It was agreed that the Town Council would raise this issue, and that of poor quality pothole repairs, with the County Council. It was also suggested that the issue may be one upon which the Friends of Lewes would wish to express a view.

Cllr Catlin provided the telephone number of the Customer Services Manager at East Sussex County Council's Highways division.

It was believed that Sussex Police considered that the scheme should be effectively "self-enforcing" although comments suggested that residents would like to see the police more proactive in this regard

3 A question was posed as to why the Town Council precept had increased by 8%

for 2017/18, and why Lewes District Council's charges for 'Special Expenses' within the parish had increased by 14%. Cllr Chartier described the unusually protracted negotiations with Lewes District Council (LDC) regarding devolution of parks and open spaces, which were subject to the Special Expenses regime. The delay was caused by technical legal issues, and the transfers were expected to complete during the 2017/18 year. Any apparent excessive charges by LDC should be repayable by credits in future years once ownership was transferred. He went on to explain that the Town Council precept was affected by reductions in central government grant, originally introduced in 2013 to offset changes to the council tax base calculation. There were also factors such as rising utility costs and increases to statutory contributions, and a need to re-establish depleted financial reserves, but in effect the increase was only £1.05 (One pound and five pence) per month to a taxpayer at 'band D'. He believed that the precept was fair and reasonable. A further question was asked on the matter of devolution, and TC gave a detailed answer explaining the relative positions of the Town and District Councils; the issues to be taken into account, and the effects of government policy on local government financing.

4 Engineering works on behalf of Virgin Media, to deploy upgraded broadband infrastructure across the town, was causing distress in several areas. Several anecdotes were related, and residents complained of a lack of notification; intrusive working hours and methods, and negligible publicity. It was noted by some that the contractors themselves were polite and helpful for the most part, but the works were disruptive and the finishing treatment to areas of cut paving using tar-macadam, was unsightly. Although it was believed that this finish was temporary, there were concerns that the works were not adequately monitored and there was a risk that this patching may be left permanently. It was understood that Virgin Media had scheduled a public meeting in the near future, at which the issues might be discussed. Town Councillors and many others were actively pursuing these issues with Virgin themselves and with East Sussex County Council. The works were legitimate utility improvements, licenced and overseen by the County Council, and were understood to be part of a government-sponsored initiative to improve the UK's broadband infrastructure. This discussion led to comments about the standard of routine repairs by the County Council to paving in the Conservation Area, and it was noted that this was an issue already being pursued by the Town Council in concert with Friends of Lewes.

5 A resident asked about powers delegated to the Town Clerk, and recounted an issue regarding permission for the erection of sheds at the Council's allotment site at Highdown (Landport Bottom). TC explained that his decision-making authority arose from his contract of employment and the position of a Town Clerk in law. He might discuss more detail privately but considered it inappropriate for the present forum. He explained the unusual position regarding the Highdown site, where restrictive covenants established prior to the institution of the South Downs National Park gave rise to a Council policy prohibiting sheds. The legal circumstances were slightly altered since Area of Outstanding Natural Beauty designations were superseded by the creation of the National Park, and it was intended that the Town Council would review its prevailing policy once it acquired outright ownership of Landport Bottom (now expected to be concluded during the coming year). It was currently co-owner with Lewes District Council. Claims quoted and attributed to a community organization website were misleading and no special permission had been sought or granted for a new structure since an agreement, made by resolution in Council in 2010, regarding a shelter for disabled allotment gardeners and primary school educational visits.

6 A question arose regarding parking permits and availability over weekends. It was suggested that some zones were oversubscribed in the context of permits issued in relation to spaces available. A periodic review was carried out by East Sussex County Council, and it was understood that some zones were to be modified in this regard.

7 It was suggested that the Town Council might introduce a supplementary planning policy to improve biodiversity by providing nest-boxes for endangered Swifts in newly-built properties. TC advised that the Council had introduced just such a policy two years earlier. When commenting on local planning applications which were for new buildings or modifications at appropriate heights, its Planning Committee routinely recommends that applicants be encouraged to seek a free-of-charge assessment by the Sussex Ornithological Society to establish the suitability for including 'Swift bricks' or similar nesting provision, or other facility for wildlife.

A following question about the application of such policies to heritage-listed buildings gave rise to some discussion on that topic, and suggestions that the District Conservation Officer might be encouraged to view such alterations positively.

8 The Town Council was thanked for its intervention to provide funding for local bus service subsidies when the County Council reduced its support, and asked what its future intentions were in that regard. It was noted that the support for both Compass Buses and Community Transport in the Lewes Area was continued in the forthcoming financial year, and meetings to discuss future provision were imminent. Miscellaneous issues were briefly touched-upon, such as the condition of empty buildings. It was asked whether the Town Council could exert any influence, but this was an extremely complex area and fell within the remit of the Planning Authority. Past Councillors had, in recent years, actively campaigned for owners to allow empty shop windows to display artwork by college students but this was rarely successful.

9 It was suggested that publicity for meetings and Council activities and services was capable of improvement. This was accepted and may be considered by the Council's Communications Working Party. A new website was to be produced and a specialist company had recently been commissioned to provide this, which would also offer links to Facebook and Twitter.

10 A resident asked to see a record of Councillors' attendance at meetings in the past year. Cllr Chartier explained that the municipal year was not yet ended, but that complete attendance records were routinely presented to the Annual Meeting of the Council, known as 'Mayormaking'. These were matters of public record and readily obtainable. There was a further request: that all reports to Council by Councillors who had attended meetings of outside bodies, or Working Party reports, should be in writing. It was explained that all formal meetings of Council bodies (Working Parties; Panels; Committees *etc*) were reported through written minutes as required by law. It was sometimes the case that a meeting had been held immediately prior to a council meeting, and this may be reported orally as the opportunity arose, although the formal minutes would always follow at the next meeting. Where members had attended meetings of other organizations, they were only expected to report matters of particular interest of concern to the Council, and this rarely required a written report. The legal background to recording of meetings, both in writing and by audio/video recording, was explained in answer to a question. As the law presently stood, it defined written minutes (once agreed and signed as an accurate record) as *prima facie* evidence in case of legal dispute. It was not appropriate to hold different versions of such records, and best-practice guidance therefore recommended destruction of all notes and records once Minutes were signed. Given recent (2014) changes to the law, which now allowed the public to make audio and visual records of their own, it was likely that the legislative basis of this would be reviewed at some point.

There being no further questions, nor other business for the meeting, the Deputy Mayor thanked those who had attended and closed the meeting.

*Meeting closed at 7:45pm*

Lewes Town Council  
Internal Audit  
Year Ended 31st March 2017

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**Prepared by:** Mulberry & Co  
**Date of Interim Visit:** 22<sup>nd</sup> November 2016  
**Date of Final Visit:** 28<sup>th</sup> April 2017

## Law and Regulation Regarding Internal audit

**Regulation 6 of the Accounts and Audit Regulations 2015 (SI2015/234) imposes a duty on local councils to ‘maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control. Internal audit is a key component of the system of internal control.**

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

Internal audit’s role is to assist the council in fulfilling its responsibility to have and maintain proper internal control arrangements and those for the prevention and detection of fraud, error or mistakes

All internal audit work must be reported to the council. Any report by internal audit is addressed to the council, may recommend actions to be taken by the council, and should be treated as a document open to view by local taxpayers.

Two pieces of legislation set out how local councils should behave when accounting for the public funds they manage and what rights local taxpayers have in relation to those accounts. These are the **Audit Commission Act 1998** and the **Accounts and Audit Regulations issued from time to time under the Act**. The requirement for local councils to prepare accounts annually and to subject them to external audit comes from the Audit Commission Act 1998 (the Act). The Act describes the rights of taxpayers and other interested parties in relation to those accounts.

**Under the regulations, all local councils must at least once a year conduct in accordance with proper practices a review of the effectiveness of their system of internal control and publicly report the outcome.** The Annual Governance Statement in Section 2 of the annual return provides the means for local councils to report to local taxpayers on their system of internal control.

**This report is prepared for the council and proper officers of the council named above, for use in fulfilling their obligations under the Audit Commission Act 1998 and the Accounts and Audit Regulations issued from time to time under the Act for preparing the Annual Return and reviewing the effectiveness of their system of internal controls. Mulberry and Co accept no responsibility for any action or inaction taken as a result of the findings of this report and accept no responsibility to any other party other than those named above.**

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## Summary Findings

I enclose my final report for your kind attention and presentation to the council. My audit was conducted in accordance with current practices and guidelines and testing was conducted in line with the inherent risks assessment. Whilst I have not tested all transactions, my sample has where appropriate covered the entire year to date. Amongst others, the following areas were covered in my testing:-

### Interim Stage

- Review of the Financial Regulations & Standing orders
- Review of the Risk Assessments
- Review of the Budgeting process
- Proper Bookkeeping – review of the use of the Sage package.

It is my conclusion that the council has robust policies and procedures in place that are fit for purpose and it has provided evidence to show it is following its own financial regulations and standing orders. In addition to this, the council has risk management strategies in place and policies that enable it to achieve its principle objectives and where there is a financial risk this is appropriately insured for.

Councillors are informed individuals and are provided opportunities for training and new members are given training and support.

The council staff are trained and demonstrate a good working knowledge of the council and actively seek to make continuous improvements for the betterment of the council.

I concluded that at the interim stage there were no significant matters that required attention.

### Final Stage

- Review of annual return
- Review of income
- Review of expenditure including wages
- Review of bank reconciliation
- Review of trust information

The annual return was correctly completed with associated background information. The bank reconciliation, box 7 & 8 reconciliation and variance analysis were all supported by underlying documentation. There were no errors. I am of the opinion that the annual return is a true and fair reflection of the financial transactions of that of the council for the year ended 31<sup>st</sup> March 2017 and accordingly I have signed off the annual return.

### A. BOOKS OF ACCOUNT

The council continues to use Sage a widely-respected professional accounts package, together with excel and word. I have tested the brought forward balances against the prior year annual return and can confirm these have been brought forward correctly.

The Sage system is used daily to report and record the financial transactions of the council and a review of the cashbook shows that all data fields are being entered, the hard copy reports are signed

off and reviewed and are easy to read and logically filed. I therefore make no recommendation to change in this system.

The council used Sage payroll, and a manual diary system for hiring's.

The clerk/RFO is responsible for ensuring staff are trained and this is reviewed via the training needs assessment system. There is a training budget in place.

## **B. FINANCIAL REGULATIONS, STANDING ORDERS, POLICIES**

The Financial regulations were taken to council in April 2015, and duly approved. It is diarised to review at council before the year end.

The NALC model Standing Orders were taken to council April 2015 and duly approved. It is diarised to review at council before the year end. It was demonstrated that three clear working days' notice is given of council meetings. Approval has been given by council to issue agendas and papers electronically.

The council has several policies in place and a robust attitude to maintaining and following these on an ongoing basis.

The national/district model Members Code of Conduct was last reviewed/adopted in April 2015. It was demonstrated that the declarations of interest were signed within 28 days of appointment.

The council has an open-door policy and an ethos to providing training and support to members throughout their term as councillor's. The council has a training budget in place and all councillors are given a member's pack that contains polices and regulations and a training self-assessment return. The clerk/RFO does retain data on training and meeting attendance so if needed this data could be used as a measure of success/achievement.

Council gives authority to spend via the annual budget process, payments are made so long as there is available budget. The purchase order sign off sheet contains a check list box to indicate the budget has been checked. The council has a dual signatory system in place in respect of cheque and bacs payments. It is clear council has good robust systems, policies and regulations in place and takes seriously its responsibility in this regard.

Council has 18 member positions of which none are currently vacant. Full Council meets 10 times per annum throughout the year.

The council has £720,906 (2016: £742,655) of other payments. Council approves payments in accordance with regulations. S137 expenditure was within statutory limits.

I am of the opinion that payments are properly made.

## **C. RISK MANAGEMENT & INSURANCE**

The council has a risk strategy in place and monitors and reviews risk on an ongoing basis. Council is aware of and has policies in place to mitigate financial risk.

Council is insured with Zurich on a standard local authority long term deal that expires in 2020. Asset and money cover appear adequate and council understands that at the end of the term quotes will need to be taken before renewal.

## **D. BUDGET & PRECEPT & PLANNING**

The council is preparing a neighbourhood plan, and annual plan. The annual plan consolidates the various wants and aspirations of the council into one document. At each full council meeting, there is an update on ongoing matters from the annual plan.

The council has £732,776 (2016: £825,112) of reserves of this £598,712 (2016: £586,409) is earmarked leaving circa £134,064 (2016: £238,703) as general reserves. At a precept level of £860k this would be considered a little low; however the council has robust cash flow management policies in place and the experience of the team lends itself to a lower level of general reserve. As a rule of thumb general reserves are considered reasonable at 50% of precept and I would not be unhappy to see general reserves at Lewes increase accordingly.

I am of the opinion that carry forward reserves are correctly stated.

#### **E. INCOME**

The council has £860,072 (2016: £780,496) of precept income this was tested to third party evidence – there were no errors.

The council has £248,880 (2016: £239,018) of other income this comprises of grants, venue hire, allotments and interest. The grants were tested to third party evidence – there were no errors.

I am of the opinion that other income is correctly shown on the annual return

#### **F. PETTY CASH**

The council had £189.65 of petty cash at the year end – this was reconcilable to the petty cash tin.

#### **G. PAYROLL**

The council has £470,326 (2016: £428,247) of staff costs. Payroll is calculated and paid by council in the normal process. The end of year summaries & P60's were reconcilable to the staff costs as shown on the annual return.

Member allowances of £3,310, (2016: £4,060) were paid during the year.

I am of the opinion that staff costs are correctly shown on the annual return.

#### **H. ASSETS AND INVESTMENTS**

The asset register is maintained on word; assets are shown at cost or proxy cost. The council understands it needs to update the web site in respect of its land register under transparency regulations.

The council has £3,236,060 (2016: £3,236,060) of fixed assets these are stated at cost and proxy cost. There has been no change year on year.

#### **I. BANK RECONCILIATIONS**

Reconciliations for all bank accounts are carried out regularly, printed off in hard copy and counter signed in accordance with regulations. The reconciliations and cashbook were verified in detail to ensure correct transfer of opening balances. There are no reconciling errors.

The October 2016 bank reconciliation was tested in detail to bank statements and the accounts – there were no errors.

The bank reconciliation as at 31st March 2017 was tested in detail there were no errors. The council has £781,728 (2016: £784,052) of bank and cash balances in 2 accounts.

The council has £59,810 (2016: £66,933) of PWLB loans – there were tested to the loan statements. There were no errors.

The council has made £10,056 (2016: £10,056) in interest and capital repayments during the year, as above these were tested to third party evidence, again there were no errors.

I am of the opinion that bank and cash balances are properly shown on the annual return.

**J. YEAR END ACCOUNTS**

The accounts have been correctly prepared on the income and expenditure basis using the Sage package. The box 7 & 8 reconciliation is required and agrees to the underlying documentation. The brought forward and comparative balances are correct on the annual return. The annual governance statement and accounts will be taken to council on the 15<sup>th</sup> June.

I am of the opinion that the accounts are correctly prepared.

**K. TRUSTEESHIP**

Clerk demonstrated Charity is up to date with filings and returns.

**Mark Mulberry**

**Internal Auditor**

**22<sup>nd</sup> November 2016 & 28<sup>th</sup> April 2017**

### Points Forward – Action Plan

Point Forward / Action needed	Auditor notes	Council response
<b>Other</b>		

## Overview of Council

	Work Task	Schedule Ref	Notes/Results
<b>Terms of Engagement</b>			
1	Review terms of engagement letter and confirm appropriate to this year		New engagement letter issued  Engagement letter is kept on the correspondence file.
2	Confirm that the professional independence and competence questionnaire has been completed and agreed with the client	<b>1.2</b>	Yes – confirmed and attached
3	Complete Budget	<b>1.3</b>	Completed & Agreed with Client
4	Complete Timetable	<b>1.4</b>	Completed & Agreed with Client
<b>Planning Notes – Understanding the Town &amp; Parish Council</b>			
	Number of electors and size of precept		13,000 electors  2016/17: Precept £860k + Grant £53k 2015/16: Precept £780k + Grant £62k 2014/15: Precept £750k + Grant £74k
	Key personnel		Clerk & RFO Steve Brigden Assistant Clerk Fiona Garth Finance Officer Viv McLachlan
	Type of financial accounting in place i.e. Manual books, computerised system		Sage Accounts system – augmented with manual spread sheets Risk assessment software - LCRS
	Does the council carry out an annual risk assessment, and is it documented.		Yes. This is reviewed as a minimum annually.
	Does the council have a good control environment (evidence of internal reviews and counter signing of cheques etc)		There is evidence of regular internal review which is carried out council and committee  Full Council circa 5 weekly Planning every 3rd Tuesday Grant Panels quarterly Working parties as and when
	Any significant changes since prior year (staff or procedures)		Enhancements made to procedures to coincide with new sections of financial regulations
	Any there any matters arising from last year's audit and/or management letter		None
	Matters arising from discussions with council, including whether there is any evidence of fraud or material misstatement.		None
	Key high risk or expected problem areas,		None

## Professional Independence and Competence Questionnaire

The internal audit function must be sufficiently independent from the management of financial controls and procedures of the council which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the council.

There are two key principles, which all local councils must follow in setting up their internal audit function, regardless of how procured: **independence and competence**.

<b>INDEPENDENCE</b>	
Do you have any specific reliance on the fee to be earned from this assignment	No
<b>Overdue fees</b>	
Does the client/group of clients owe the firm any money which exceeds our normal credit terms?	No
<b>Litigation</b>	
Is there any actual or anticipated litigation between us and the client in relation to fees, audit work or other work?	No
<b>Associated firms</b>	
Are you or your staff associated with any other practice or organisation which has had any dealings with the client council?	No
<b>Family or other personal relationships</b>	
Do you or any of your staff have personal or family connections with the council or its officers?	No
<b>Mutual business interest</b>	
Do you or any of your staff have any mutual business interests with the client or with an officer or employee of the client?	No
<b>Financial involvement</b>	
Do you or your staff, or anyone closely related to you or any of your staff, have any financial involvement in the client in respect of the following:	
Any beneficial interest in shares or other investments?	No
Any loans or guarantees?	No
<b>Goods and services: hospitality</b>	
Have you or any of your staff accepted materials, goods or services on favourable terms or received undue hospitality from the council?	No
<b>Ex-partners or senior staff</b>	
Has any senior officer of the council been a partner or senior employee of the practice?	No
Is the partner or any senior employee on the audit team in negotiations to join the client?	No
<b>Long association</b>	
Have you been acting for more than 10 years? If yes, then consider rotation/engagement quality review. 6th Year of auditing	No
<b>Provision of other services</b>	
Do we provide any of the following services to the client:-	
Accounting services, book-keeping or payroll services	No
Staff secondments	No
IT services where we are involved in the design, provision or implementation of systems	No
Specialist valuations which are included in the accounts	No
Tax compliance work or tax planning	No

Corporate finance activities	No
Any advocacy services e.g. Tax commissioner hearings	No
Any services relating to the management of the council	No
Any other services that may cause a threat to the firm's objectivity or independence	No
Where any of the above have been answered 'yes', then specify below what safeguards are proposed to maintain integrity and independence:-	
<b>Competence</b>	
<b>Consider the following matters prior to deciding to accept appointment/re-appointment as auditors:</b>	
Are there any particular challenges and risks associated with this client?	No
Do we have sufficient expertise available to undertake this audit engagement?	Yes
Are there sufficient resources available to undertake this audit engagement?	Yes
<b>Having regard to the safeguards identified, I am satisfied that we are independent and competent to perform this audit.</b>	

## Budget

		<b>Hours</b>
Planning & Systems Work	Interim Visit	4
File Review and reporting	Interim Visit	1
Financial Procedures	Final Visit	4
File review	Final Visit	1
<b>Total Budget Hours</b>		<b>10</b>
Hourly Rate		£50
<b>Time Cost</b>		<b>£500</b>
Other costs	Mileage	£90
<b>Total Budgeted Cost</b>		<b>£590</b>
<b>Total Budgeted Fee</b>		<b>£750</b>

## Timetable

<b>Autumn 2016</b>	<b>Planning and Interim Audit work</b>
<b>June 2017</b>	<b>Final Audit work</b>
<b>June 2017</b>	<b>Issue Audit Report &amp; Letter</b>

## Inherent Risk Assessment

Based on the above findings and discussions with council it is my opinion that the inherent risk within the systems of the council is categorised as follows

Work Task	notes	
Are standing orders and financial regulations regularly reviewed	Yes these were on site and were current and reference to a minute	Low Risk
Is council following its written Financial regulations & standing orders	Yes	Low Risk
Does the council have risk assessments in place and are these reviewed at least annually	Yes	Low Risk
Does the council have a committee or working party responsible for internal checking	Yes	Low Risk
Is there evidence of hierarchical review (counter signing bank rec, invoices etc)	Yes	Low Risk
Is there regular reporting against budget?	Yes	Low Risk
Are books and records maintained on a regular basis	Yes	Low Risk
Is the clerk under time pressure	No	Low Risk
Are there complicated transactions?	No complicated transactions	Low Risk
Any changes to key staff	No	Low Risk
Any changes in systems or procedures	No	Low Risk
Is all info on site and to hand?	All info on site and to hand	Low Risk
Any problems in the past	No problems in past	Low Risk
Are there any other factors to consider?	Records neat and tidy	Low Risk

### Conclusion & Opinion

I discussed the system above with the RFO and reviewed an invoice picked at random, which contained all the details mentioned above.

The system in place is robust and entirely fit for purpose for a Parish Council of this size. There are good internal controls, policies and procedures in place which are reviewed on an annual basis.

I am of the opinion that the inherent risk in the system is low and would recommend a sample size of 10 when testing in detail and would also state that the internal controls can be relied upon.

### Specific Audit Plan

Audit Area Section 4 Annual Return	Notes	Risk of error or misstatement	Tests	Ref
Appropriate books of account have been kept properly throughout the year.	SAGE package in place, limited and uncomplicated transactions	Low	Review transactions in cashbook make verbal enquiries. Test arithmetic.	A
The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Good, simple system	Low	Review invoices and reconcile to cash book in detail. Review minutes and cheque books for authorisations	B
The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Risk assessment policy written risk assessments carried out	Low	Review and comment	C
The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	SAGE package used	Low	Review minutes for evidence of council discussion of the same	D
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Various streams of income	Low	Test to precept application and other documentation as appropriate	E
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Minimal petty cash	Low	Test to petty cash tin	F
Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	Payroll processed using SAGE system in house	Low	Test rates and hours are authorised Test net wages to payments due	G
Asset and investments registers were complete and accurate and properly	Fixed asset register in place	Low	Review insurance schedule and cashbook for missing items off the register	H

maintained.				
Periodic and year-end bank account reconciliations were properly carried out.	Regular reconciliations on SAGE	Low	Test reconciliation in detail	I
Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	Income and Expenditure	Low	Test audit trail sufficient for electors rights	J
Trust funds (including charitable) The council met its responsibilities as a trustee.	Yes – no problems in the past	Low	Ensure separate meetings, bank and charity info up to date	K

## Audit Findings

### (A) Proper Bookkeeping

<b>Objective</b>	<b>To confirm that appropriate books of account have been properly kept throughout the year</b>
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The basic record of receipts and payments is always the starting point of an accounting system; the majority of internal controls will work back to that original record. It is essential that the system requires that the **basic cash book is kept up to date** and **balances are regularly verified against a bank statement** or the actual cash in the petty cash tin. This record will also **agree with the supporting vouchers**, invoices or receipts. Even though the arithmetic may be automatic on a computer based system it is necessary to **check that the additions and balancing are correct**. The level of checking will depend on who does what and with what frequency. Where there is a **computer based system**, the reliability of information reported by the system depends on the quality and accuracy of data input, and how it is then processed, and **so tests of the integrity of data input and processing should be considered**. A councillor or member of staff may do the checking or verification; internal audit will test that the checking verification within the system has been undertaken.

Test		Comments /Conclusions /Points Forward
1	Using the previous year's annual return agree the current year's brought forward balances in the cash book.	The cash book balances b/wd agrees to the 2015/16 c/wfd balances.
2	Review the nominal ledger/cashbook for large and unusual entries and agree to supporting documentation	Council uses the electronic SAGE system, all entries laid out in clear and logical manner with references and cross references as appropriate to supporting documentation.  No data fields have been left blank and the reader can easily identify from the narrative the nature and scope of the transaction.  No unusual amounts.
3	Verify arithmetic by casting a sample of the cash book, if this is maintained electronically check one month only	SAGE is an electronic system; I have verified the arithmetic by testing the bank reconciliation at month 6. There were no errors
4	Is the cashbook maintained and up to date	The RFO/Clerk/Accountant maintains the system on a weekly basis.
5	Is the cashbook regularly balanced	Evidence seen to show bank reconciliations are produced on a regular basis - printed and signed off by chairman of audit committee
6	Is the data input by the RFO checked internally	Yes – The accountants work is checked by the RFO

#### **OVERALL CONCLUSION (Subject to points carried forward in final notes)**

Satisfactory – I am of the opinion that the SAGE package is being used properly, and that it is fit for purpose for a council of this size. I was pleased to see that the books and records on SAGE are regularly maintained and clerk/RFO has a positive attitude to keeping these up to date.

## (B) Financial Regulations, Standing Orders & Payment Controls

<b>Objective</b>	<b>To confirm The council’s financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</b>
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The first step in establishing a financial system is to identify the general rules applicable at council or committee meetings and in carrying out the council’s business. The Standing Orders, Financial Regulations and other internal instructions do this. **Internal audit should have a copy of the current Standing Orders, Financial Regulations and any internal instructions.** Internal audit’s report to the council will include any recommendations for improvement in these documents arising as a result of their work during the year. The level of checking will depend on the content of the Standing Orders and Financial Regulations. The amount of work may well vary, and more extensive testing of compliance may be needed from time to time, but as a minimum, having established whether the **council has within the year reviewed its Standing Orders and Financial Regulations** for continued relevance, internal audit will test.

In purchase order procedures:

- ☑ that the **correct number of estimates, quotes or full tenders** depending on estimated value of contract **have been obtained** (Standing Orders will state the value at which tenders are required; Financial Regulations or Standing Orders will show the value where estimates or quotes only are required);
- ☑ that **proper purchase authority by council, a committee or officers** (under clear delegated powers) **is in place**; and
- ☑ that a **proper legal power has been identified** for the expenditure.

In purchase payments:

- ☑ that the supporting paperwork confirms that there is a **fully approved invoice and authorisation for payment**; and
- ☑ that **VAT is identified** appropriately for reclaim.

In most councils these checks can be limited to a sample of transactions selected at random, plus those which are large or unusual, such as each payment for a value in excess of £1,000, or some other figure appropriate to the level of activity of the council. The aim is for **internal audit to check that the systems put in place by management are working and are appropriate.**

Standing Orders and Financial Regulations may well repeat the statutory requirement to maintain ‘a separate account’ of expenditure and income under Local Government Act 1972 section 137 and Local Government Act 1986 section 5. **Internal audit should check annually that such an analysis is kept** and that the **cash limit in section 137 is not exceeded.** Internal audit may scrutinise the resulting list of expenditure and should consider whether the power is being properly used but would not check through for the correct analysis of every item.

Internal audit should also check that **payments of interest and principal** in respect of loans (and investments if any are held) are **in accordance with an agreed schedule.**

Test		Comments /Conclusions /Points Forward
1	Has the council formally adopted standing orders and financial regulations?	Electronic copies given to IA on arrival. These was reviewed and commented upon.
2	Has a Responsible finance officer been appointed with specific duties?	Yes the Clerk is the appointed RFO.
3	Have items or services above the de minimus amount been competitively purchased?	Not applicable
4	Are payments in the cashbook supported by invoices, authorised and minuted?  Test a random sample of items to verify that internal controls are operating as described:-	<ul style="list-style-type: none"> <li>• Per FR 4.4 Internal Auditor appointed and council minuted as such.</li> <li>• Per FR 5.2 Cheques are signed in accordance with financial regulations. IA has noted signatures on cheques.</li> <li>• Per FR 6.1a Internet Payments are made in accordance</li> </ul>

		<p>with regulations. The system is much the same for cheques with three levels of authorisation. IA has noted additional compensating controls in the form of audit panel verification. The absence of this control would increase the risk of collusion through a lack of segregation of duties, but whilst this panel continues to monitor and scrutinise there is no risk evident.</p> <ul style="list-style-type: none"> <li>• Per FR 7. Statutory obligations in respect of PAYE are met on a monthly basis. Council is considering living wages changes and auto enrolment and has made provision in the budget for these.</li> <li>• Per FR 11. Regulations being followed in respect of discussion of quotes and getting best value for money.</li> </ul>
5	Has VAT on payments been identified, recorded and reclaimed?	Yes
6	Is s137 expenditure separately recorded and within statutory limits?	Yes – this is below the thresholds
7	Note down if council is registered for VAT or if they use the annual reclaim method	Council is not registered for VAT
8	<p>Review VAT returns for supporting documentation and verify a sample of transactions to</p> <ul style="list-style-type: none"> <li>• Invoices</li> <li>• Other third party evidence</li> <li>• Correct rate of VAT</li> <li>• Correct treatment of VAT</li> </ul>	<p>Council used SAGE system to record VAT on inputs</p> <p>Vat returns [s.126] have been reviewed</p>
9	Review bank account for payments or receipts of VAT	Receipts of refunds in evidence
10	Reconcile VAT returns to cash book	As above
11	Ensure Returns are made on a prompt basis	AS above

**OVERALL CONCLUSION (Subject to points carried forward in final notes)**

Satisfactory – The nominal ledger balances are brought forward correctly and the postings to the nominal accounts are properly made

**(C) Risk Management**

<b>Objective</b>	<b>To confirm the council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>
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The greatest risk facing a local authority is not being able to deliver the activity or services expected of the council. The council is likely to be managing many of those risks when it **reviews its insurance** and its systems. **The minutes are an essential record of such reviews. Budget setting and insurance review are annual activities;** the review of systems may be less frequent.

It is suggested that **systems should be reviewed** in some detail, unless triggered by external or internal audit reports, or change in risk, at least **every four years** or **on the change of Clerk/RFO**. This might be more appropriate for larger councils on a cyclical basis.

**Minutes should be checked by internal audit for any suggestion of unusual activity and evidence that risks are being identified and managed.**

<b>Test</b>		<b>Comments /Conclusions /Points Forward</b>
1	Does a review of the minutes identify any unusual financial activity?	No
2	Do minutes record the council carrying out an annual risk assessment?	Yes
3	Is insurance cover appropriate and adequate?	PC is insured by Zurich. April to March. The assets are listed and the values are comparable to the FAR.
4	Are internal financial controls documented and regularly reviewed?	There are internal financial controls which are regularly followed
5	Review financial & Other risk assessment and ensure up to date, note down any significant risks facing the council	Council reviews all risk assessments in a clear and logical manner. Reported to full council on an on-going basis  The council has insured itself against the significant risks, including employee fraud etc. There are no operation issues that would cause the council to stop functioning – steps have been taken to ensure safety of electronic records etc.
6	Document retention & Data Back up	Digital information backed up daily on site. To NAS box, and Trident externally.

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory – The council has a positive attitude to risk assessment and documents the assessments and reviews in a logical manner

**(D) Budgetary Controls**

<b>Objective</b>	<b>To confirm the annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b>
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**Internal audit will not check the budget but will verify that a budget has been properly prepared by the council and adopted in setting the precept.** The regular reporting of expenditure, and variances from budget, is an important part of the proper control of public money. **Internal audit will expect to see the regular reports to council and the variance analysis.** That variance analysis and the decisions of council or committee taken as a result may suggest areas for additional analysis by internal audit. Part of budgetary control is to ensure **adequate but not excessive reserves** or balances. **Progress against budgets should be regularly monitored.** It is particularly helpful when determining the likely precept that will be required for the following year. **Internal audit will be keen to establish that this has taken place.**

<b>Test</b>		<b>Comments /Conclusions /Points Forward</b>
1	Has the council prepared an annual budget in support of its precept?	Yes this was prepared in the proper time period last year.
2	Note how client prepares budget	Zero based approach – per department – uses SAGE and excel system
3	Is actual expenditure against the budget regularly reported to the council?	by quarterly Audit Panel review reported to Council
4	Are there any significant unexplained variances from budget?	There are no significant variances at the year end
5	Review council's reserves and reserves policies and make a note of how many months cover they have and whether this is sufficient for this particular council	The budget is drawn up in the proper manner. The very detailed working enables sound and robust decisions to be made, and I therefore make no recommendation to change in this process. I note that at a precept level of circa £800k a general reserve balance of £400k i.e. 50% of precept would not be considered unreasonable.  Current general reserves are low

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory – The council has budgets in place and evidence suggests performance against budget has been reviewed on at least one occasion. Reserves are reasonable and no evidence of capital and revenue reserves being mixed.

**(E) Income Controls**

<b>Objective</b>	<b>To confirm expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</b>
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**Internal audit will look for evidence that the precept and grant income is properly and promptly received.** In value this is usually the largest item of income. **Internal audit is more likely to focus on other income particularly where it is unusual or cash-based.** Cash income brings higher risks, in turn requiring greater control by ticket issues, receipt issues, segregation of duties of the cashier and the invoice-raising clerk. **The need for greater control implies a need for internal audit to verify the operation of all checks and balances.**

If the council has let property or holds investments, then the council should have established a system to ensure regular income collection; a diary of expected dates of income etc. **Internal audit will look for evidence of such activity and any necessary progress or invoice chasing.**

If the income is from quoted investments there is a clear risk to be addressed in terms of identifying the investment policy to be followed, controls over who can initiate a change of investment and an awareness of the investment risks being accepted.

<b>Test</b>		<b>Comments /Conclusions /Points Forward</b>
1	Is income properly recorded and promptly banked?	Precept and grant received by bacs properly recorded in cashbook and annual return.  Credits paid in within a week of receipt – no cut off issues to report.  Other income tested to documentary evidence and analytical review as applicable.
2	Does the precept recorded agree to the Council Tax authority's notification?	Yes – agreed to application as seen by IA
3	Are security controls over cash and near-cash adequate and effective?	Yes
4	Is VAT correctly applied at the correct rates	Council not registered for VAT
5	Is there income from sale of investments or investment income	No

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory – The income process is carried correctly in accordance with documented procedures.

**(F) Petty Cash Procedure**

<b>Objective</b>	<b>To confirm Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</b>
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**Internal audit will be looking to see that there is an established system in place rather than ad hoc reimbursement.** If the clerk is reimbursed for all small cost expenses or there is a separate cash float, a regular payment must be made to keep up to date. **Internal audit would be looking to see that reimbursement is regular and evidence that on occasions an independent person has physically counted the cash balance and checked to be in agreement with the up-to-date record.** The council should have a system for the regular approval of petty cash expenditure.

<b>Test</b>		<b>Comments/Conclusions</b>
1	Is all petty cash spent recorded and supported by VAT invoices/receipts?	Yes
2	Is petty cash expenditure reported to each council meeting?	P/cash is not reported to Council every meeting – however it forms part of the reconciliations checked by Audit Panel and reported back via their Minutes
3	Is petty cash reimbursement carried out regularly?	When needed to top up float
4	Review petty cash records for unusual amounts	None in evidence
5	Test count the petty cash and agree to accounting records at today's date if not conducted at the year end.	Agreed
6	Select a sample of petty cash payments and receipts and agree to supporting documentation, verifying <ul style="list-style-type: none"> <li>• Amounts</li> <li>• Authorisations</li> <li>• VAT analysis</li> </ul>	Agreed – these are for general petty cash items

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory – petty cash records are complete and reconciled – suggest these are reconciled more frequently.

**(G) Payroll Controls**

<b>Objective</b>	<b>To confirm Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.</b>
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**Internal audit will be seeking reassurance that the system is delivering the correct payments for wages and salaries and that PAYE/NIC is correctly deducted from the gross pay and paid to HM Revenue and Customs.** Historically, one of the greatest areas of risk for local councils has been the improper payment of wages and salaries, together with the lack of proper deduction of income tax and national insurance contributions.

There are some simple tests to establish whether a person is employed by a local authority or can be regarded as a contractor. **The clerk is always regarded as an employee – as an ‘office holder’.** **As an employer, the council must operate PAYE/NIC.** If correct deduction for tax or national insurance is not made by the employer, HM Revenue and Customs has the right to seek the lost tax and contributions from the employer as if the payments made were after deduction of the appropriate amounts (i.e. the amount sought is ‘grossed up’). There may also be a liability for interest and penalties that can increase the sum significantly. The clerk, even at the smallest of councils, will need to be able to produce evidence that the correct tax treatment of salary has been arranged with HM Revenue and Customs. HM Revenue and Customs often seek to avoid setting up a PAYE scheme for a single employee whenever possible, so will seek to ‘code out’ any parish council salary through other income, pension scheme or by direct assessment. The council should have an up to date letter from HM Revenue and Customs (addressed to the Council) confirming that arrangements to their satisfaction have been made for the particular employee. Internal audit may verify that evidence each year as part of the annual statement forming part of the annual return.

**Changes to contracts of employment (whether annual salary change, or other) require formal agreement by the council as well as being evidenced by a written statement to the employee.** The council should record evidence of approved changes in employment contracts in employee records. **Internal audit should check that this evidence is in place and agree sums paid to those sums shown as payable.** The purpose of specifically investigating the PAYE/NIC system recognises the risks inherent in these items, either through fraud or error, and the risk of significant management time and penalties in making corrections if errors arise.

<b>Test</b>		<b>Comments/Conclusions</b>
1	Do all employees have contracts of employment with clear terms and conditions?	Yes
2	Do salaries paid agree with those approved by the council?	Council approves salary scale -Changes to a scale go through Personnel Panel and are approved, but incremental progression within established scales are dealt with in the annual budgeting presentation  There are councillor allowances – paid via payroll.
3	Are other payments to employees reasonable and approved by the council?	Yes – generally for mileage – forms part of the normal routine of payment authorisations.
4	Have PAYE/NIC been properly operated by the council as an employer?	Yes this is calculated and paid on a monthly basis in house using Sage.
5	Check a sample of payroll deductions. Verifying calculation of PAYE & NIC	Payroll deductions tested on annual basis no errors.  Deductions are correct.
6	Check employee existence by physical verification or by reference to documentation (e.g. personnel files, coding notices etc).	Employees are bonafide
7	Check payroll is signed by a responsible official.	Payroll is approved annually by council and monthly payments in the usual manner each

		month with other payments. This is minuted.
8	Test check net wages & PAYE per the cash book to the payroll	Nominal ledger shows where applicable 12 monthly payments of wages, pension and NI
9	Review cash book for unusual payments not put through the PAYE/NI system (e.g. casual labour, round sums, private bills etc).	No unusual amounts to report.

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory – salaries and processing of salaries are correct. There are no errors.

**(H) Asset Control**

<b>Objective</b>	<b>To confirm asset and investments registers were complete and accurate and properly maintained.</b>
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**The Council is required to maintain an asset and investment register.** In the smallest councils, this may only be a note produced for members and local electors. **Internal audit will be interested in seeing that there is evidence that the continuing existence of owned and managed assets is checked on a regular basis.** In a larger council the register may be hand written, typed or computer produced; the essence is the same in that the system should be verified on a regular basis. This verification **should include confirmation that insurance cover is adequate and sufficient.** If investments are held, the asset register will be a more active record; it should include details of cost, values, and expected income that can be checked against the actual income. Dates and references to minutes of the members' review of the investments against the investment policy might also be included.

<b>Test</b>		<b>Comments/Conclusions</b>
1	Does the council maintain a register of all material assets owned or in its care?	Yes – detailed fixed asset register maintained in electronic format.
2	Are the assets and Investments registers up to date?	Yes  No long term investments.
3	Do asset insurance valuations agree with those in the asset register?	Yes –
4	Obtain details of additions and select items to test to invoice or other supporting documentation, having regard for VAT element	No additions in year
5	Conduct physical verification of selected assets to make sure that they are in regular use and check to fixed asset register	Reviews of office equipment register – assets were physically noted to be in use. Value per register is reasonable.

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory. Council maintains and records assets properly.

**(I) Bank Reconciliation**

<b>Objective</b>	<b>To confirm Periodic and year-end bank account reconciliations were properly carried out.</b>
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In most councils, the bulk of the financial records will be concerned with a current account and a form of deposit account at a bank or building society. A regular feature of the financial system will be the reconciliation of the balances shown on the statements with those calculated in the council's financial records. **It is strongly recommended that on receipt of a bank statement, there should be a reconciliation of the appropriate cash book record. Internal audit will wish to see that this has been done**, but should not undertake the reconciliation unless it requires re-performance. **It may be appropriate for the year end balances and the reconciliation to be checked in detail.**

**The basic cash book record must not be written up from the bank statements. That approach does not provide any form of control.** The cash book record is written up from the council's records: cheque counterfoils and the paying-in books, together with the known direct payments and credits. It is the cash book record that is checked regularly against the bank statements to provide control.

**The bank reconciliation should include a note of the historic cost of current investments held by the council, if any**, so that this can also be monitored to ensure that these funds are performing in the way planned by the council and also so that the council can have, each time this is reviewed, as complete a picture as possible of its liquidity and available funds.

**As part of internal control, a member may be appointed to review the bank reconciliation in detail and to evidence that review by signing the reconciliation form and the bank statements.**

Test		Comments/Conclusions
1	Is there a bank reconciliation for each account?	Yes
2	Is the bank reconciliation carried out regularly and in a timely fashion?	Yes – monthly and this is signed off in accordance with financial regulations
3	Are there any unexplained balancing entries in any reconciliation?	No –Cheque numbers are current. No significant aged cheques.
4	Is the reconciliation signed off by a member	Yes –
5	Test check the year end reconciliation in detail	No errors – March 2017 reconciliation checked by IA
6	Prepare or obtain a schedule of investments showing all movements in the year and agree opening balances.	N/A
7	Test check value of listed investments at year end for disclosure in financial statements.	N/A
8	Test purchases and sales with agreements, contract notes and minutes	N/A
9	Is the value of investments held summarised on the bank reconciliation?	N/A
10	Check income has been received on all income yielding investments on a consistent basis and ensure tax has been correctly accounted for.	N/A

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory – bank reconciliations are carried out and reviewed properly.

**(J) Year – End Procedures**

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

It is the duty of the council and the RFO to produce the year-end accounting statements. **Internal audit will be looking to see that the appropriate accounting basis is used, that the figures can be followed through on working papers and adjustments, transfers, contra entries etc. are fully explained and justified.** Internal audit would not be expected to check all figures but will probably verify a small sample and the totals.

Councils accounting on an Income and Expenditure basis will have a system in place for identifying outstanding amounts (receivable and payable) and then for deciding on their materiality for inclusion in the accounting statements. **Internal audit will scrutinise the lists of creditors and other balances to ensure that the system is working adequately and that the RFO has correctly identified transactions in the one year that may in whole or part relate to another.**

<b>Test</b>		<b>Comments/Conclusions</b>
1	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	AR completed correctly and casts correctly. Income and expenditure basis used.
2	Do accounts agree with the cashbook?	Yes – SAGE package has full integrated audit trail. NL verified to annual return summary.
3	Is there an audit trail from underlying financial records to the accounts?	Yes – as noted above SAGE very robust system in this regard.
4	Where appropriate, have debtors and creditors been properly recorded?	Yes – Boxes 7 – 8 reconciliation prepared and verified. Debtors and creditors appropriate with documentary evidence seen by IA.
5	Has the Annual governance statement been signed off	Yes – will be taken to council in June
6	Has the annual return been completed in full	Yes
7	Has the council got a system in place for reviewing the effectiveness of internal controls	Yes – council reminded to ensure minute referring to approval of section 1 of annual return is detailed enough to show work undertaken by council throughout the year.

**OVERALL CONCLUSION (subject to points carried forward in final notes)**

Satisfactory – accounts properly prepared.

**(K) Trust funds (including charitable)**

<b>Objective</b>	<b>To confirm the council has met its responsibilities as a trustee</b>
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<b>Test</b>		<b>Comments/Conclusions</b>
1	Is the council a sole trustee and is it responsible for managing trust fund assets	Yes
2	Note down names of trusts council is a trustee of	Town Brookes Trust
3	As sole trustee has the council properly carried out its duties in respect of financial reporting and or audit.	Yes duties are separated – charities commission details and documents up to date.  Financial amounts not shown on annual return.
4	Carry out any other tasks deemed necessary	none

**OVERALL CONCLUSION - (subject to points carried forward in final notes)**

Satisfactory – council performs duties properly and in accordance with regulations.

**Agenda Item No:** 8 **Report No:** FC002/2017  
**Report Title:** Accounts & Annual Return 2016/17  
**Report To:** Full Council **Date:** 15<sup>th</sup> June 2017  
**Report By:** S Brigden, Town Clerk

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**Purpose of Report:** To present the requisite accounting information and draft Annual Return for approval as required by the Local Audit and Accountability Act 2014 and The Accounts and Audit Regulations 2015 (SI2015/234)

**Recommendation(s):**

- 1 That Lewes Town Council approves the Annual Governance Statement shown at section 1 of the statutory annual return for the year ended 31<sup>st</sup> March 2017
  - 2 That Lewes Town Council approves the statutory annual return and supporting documents as required for the year 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017, for submission to Messrs PKF-Littlejohn LLP, the National Audit Office's appointed External auditors.
- 

**Information:**

The latest amendments to the statutory audit regime affecting local councils were introduced by the Accounts & Audit (England) Regulations 2015. The changes directly affect the Council as it falls into a category where the criteria have been revised. There have been some revisions to the Audit Code of Practice made under these regulations, and these have been accommodated.

The regulations prescribe (among other detail) the form of the Statutory Annual Return, the supporting information, and the order in which Council must acknowledge its responsibilities. Lewes Town Council has, for many years, recognized the benefits of operating its financial accounting system at a level of sophistication that is considerably higher than the minimum requirements, and is already comparable to the commercial Small/Medium Enterprise (SME) classification that the latest Regulations emulate. Under earlier audit regimes, this approach has been commended by auditors as good practice, and will be continued.

The statutory deadline for the Council's formal "approval" of the Annual Return, for forwarding to the Audit Commission appointed external auditors is 30<sup>th</sup> June. A booklet of accounts is appended. These documents are posted on our website. The government-appointed auditors also specify a range of sample documents each year which will accompany the Return and accounts.

The relevant pages of the Annual Return are appended to this report. It is required that Council resolves its approval of the Annual Governance Statement (section 1, p2) *prior* to approval of the Accounting Statements (section 2, p3).

The Accounting Statements have been certified by me in my capacity as Responsible Finance Officer. The certificate by the Council's independent Internal Auditor (p5) has been signed. He indicates that he has no concerns, and his final report is also presented to this meeting. The Internal Auditor's work; regular reports of the Audit Panel, and occasional reports from other sources, are the instruments by which the Council assures itself that all responsibilities are satisfied.

**IMPORTANT NOTE:** It is necessary to avoid potential conflict of interest that might affect the auditor's independence, *eg* Messrs. PKF Littlejohn LLP (our appointed external Auditor) may provide personal accountancy or tax advice to a Councillor. Littlejohn themselves attempt to identify such situations, but it is important that Members advise the Town Clerk immediately if they become aware of potential conflicts.

S Brigden  
5<sup>th</sup> June 2017

# Local Councils, Internal Drainage Boards and other Smaller Authorities in England

## Annual return for the year ended 31 March 2017

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Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'\* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

**The annual return on pages 2 to 4 is made up of three sections:**

- Sections 1 and 2 are completed by the smaller authority. **Smaller authorities must approve Section 1 before Section 2.**
- Section 3 is completed by the external auditor.

In addition, the **internal audit report** is completed by the smaller authority's internal audit provider.

**Each smaller authority must approve Section 1 and Section 2 in order and in accordance with the requirements of the Accounts and Audit Regulations 2015.**

### Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2017, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

**Your external auditor will ask for any additional documents needed for their work. Unless requested, do not send any original financial records to the external auditor.**

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication and public display of Sections 1, 2 and 3. You must publish and display the annual return, including the external auditor's report, by 30 September 2017.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guide that can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.slcc.co.uk](http://www.slcc.co.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

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

## Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of  
smaller authority here:

LEWES TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2017, that:

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

This annual governance statement is approved by this smaller authority on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair at meeting where approval is given:

SIGNATURE

Clerk:

SIGNATURE

\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

## Section 2 – Accounting statements 2016/17 for

Enter name of  
smaller authority here:

LEWES TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	986,556	825,112	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	780,496	860,072	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	239,018	248,880	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	428,247	470,326	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	10,056	10,056	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	742,655	720,906	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	825,112	732,776	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8. Total value of cash and short term investments	784,052	781,728	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	3,236,060	3,236,060	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	66,933	59,810	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:



Date

28.4.17

I confirm that these accounting statements were approved by this smaller authority on:

and recorded as minute reference:

Signed by Chair at meeting where approval is given:

## Section 3 – External auditor report and certificate

In respect of:

Enter name of  
smaller authority here:

LEWES TOWN COUNCIL

### 1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

### 2. 2016/17 External auditor report

(Except for the matters reported below)\* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

### 3. 2016/17 External auditor certificate

We certify/do not certify\* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

\* We do not certify completion because:

External auditor signature

External auditor name

Date

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

# Annual internal audit report 2016/17 to

Enter name of smaller authority here:

LEWES TOWN COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

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

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Name of person who carried out the internal audit MARK MULBERRY BA(Hons) FCCA CIA

Signature of person who carried out the internal audit [Signature] Date 28/04/2017

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).  
 \*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

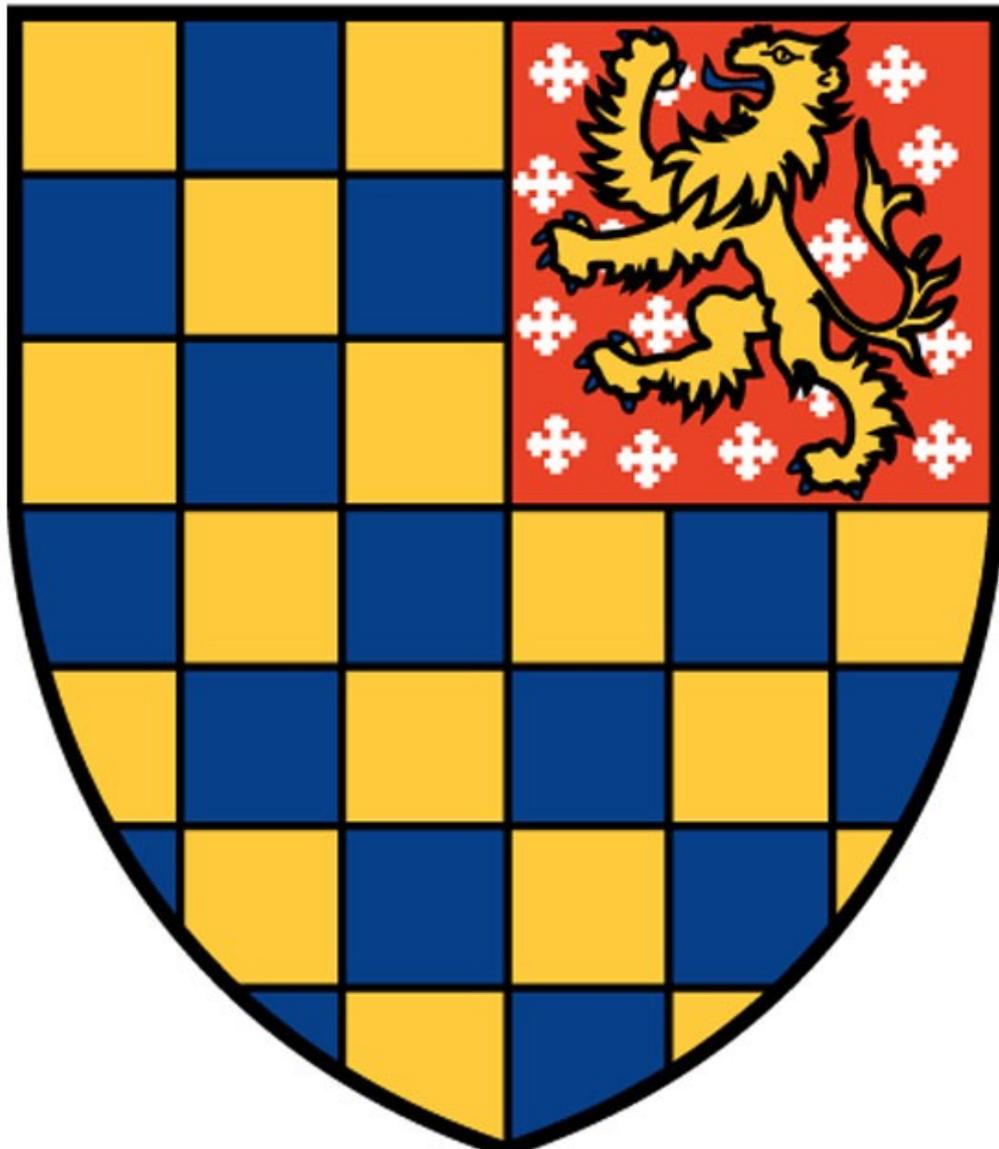
## Guidance notes on completing the 2016/17 annual return

1. You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide\* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unexplained or unapproved amendments may be returned and incur additional costs.
3. **Smaller authorities must approve Section 1 on page 2 before approving Section 2 on page 3.**
4. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness and accuracy before sending it to the external auditor.
5. Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Chair.
6. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide\*.
7. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a complete numerical and narrative analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide\* to assist you.
8. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
9. **You must inform the external auditor of the date set for the commencement of the period for the exercise of public rights.**
10. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2016) equals the balance brought forward in the current year (Box 1 of 2017).
11. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	
	All additional information requested, <b>including the dates set for the period for the exercise of public rights</b> , has been provided for the external auditor?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2017 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Sections 1 and 2	Trust funds – all disclosures made if a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	

\*Note: The Practitioners' Guide is available from your local NALC, SLCC or ADA representatives or from [www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk) or [www.ada.org.uk](http://www.ada.org.uk).

# LEWES TOWN COUNCIL



**FINANCIAL ACCOUNTS**  
for the year  
1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017  
**Subject to audit**

## LEWES TOWN COUNCIL

### Council Information

#### For the Year ended 31 March 2017

#### Councillors

Cllr Annabella ASHBY

Cllr Janet BAAH (*elected 2<sup>nd</sup> June 2016*)

Cllr Adam BARKER

Cllr Dr Amanda BOLT

Cllr Richard BURROWS

Cllr Michael CHARTIER

Cllr Will ELLIOTT

Cllr Huw JONES

Cllr John LAMB

Cllr Imogen MAKEPEACE

Cllr Dr Graham MAYHEW

Cllr Merlin MILNER

Cllr Roger MURRAY

Cllr Susan MURRAY

Cllr Ruth O'KEEFFE

Cllr Tony ROWELL

Cllr Esther WATTS

Cllr Stephen WISCHHUSEN (*known as CATLIN*)

#### Town Clerk and Responsible Finance Officer

Steve Brigden

#### Auditors (external)

Littlejohn LLP  
Ref: SBA  
2<sup>nd</sup> Floor 1 Westferry Circus  
Canary Wharf  
LONDON E14 4HD

#### Auditors (internal)

Mulberry & Co  
Chartered Certified Accountants,  
Registered Auditors & Chartered  
Tax Advisers  
9 Pound Lane  
GODALMING  
Surrey GU7 1BX

# LEWES TOWN COUNCIL

## Explanatory Foreword

### For the Year ended 31 March 2017

The Council's statements of accounts for the year ended 31 March 2017 are set out on the following pages. They consist of the following statements:

#### **The Income and Expenditure Account**

The Council's revenue account, covering income and expenditure on all services.

#### **The Balance Sheet**

This sets out the financial position of the Council at 31 March 2017, i.e. its assets and liabilities at that date.

#### **Statement of Total Movement in Reserves**

This summarises the total gains and losses of the Council and their effect on the Council's reserves during the year.

#### **Notes to the Accounts**

These provide further information on the amounts included in the financial statements.

This foreword provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the financial position.

#### **Further Information**

Further information about the accounts, and the financial administration of the Council, is available from the Town Hall, High Street, Lewes BN7 2QS. 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 on the notice board outside the Council Offices, and on the Council's website ([www.lewes-tc.gov.uk](http://www.lewes-tc.gov.uk)). Other aspects of the Council's financial operations are published during the year on the website, and may be obtained on request.

## LEWES TOWN COUNCIL

### Responsibilities for the Statement of Accounts

Year ended 31<sup>st</sup> March 2017

#### The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs
- to secure that one of its officers has the responsibility for the administration of those affairs. At this Council, that officer is the Town Clerk
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

#### The "Responsible Finance Officer" Responsibilities

The R.F.O. is responsible for the preparation of the Council's statement of accounts in accordance with the 'Code of Practice on Local Authority Accounting in Great Britain' (the code), so far as it is applicable to this Council, to present fairly the financial position of the Council at 31<sup>st</sup> March 2017 and its income and expenditure for the year then ended.

In preparing the statements of accounts, the R.F.O. has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent, and
- complied with the code.

The R.F.O. has also:

- kept proper accounting records which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

#### Responsible Finance Officer's Certificate

I hereby certify that the statements of accounts for the year ended 31<sup>st</sup> March 2017 required by the Accounts and Audit Regulations 2015 (SI2015/234) are set out in the following pages.

I further certify that the statements of accounts present fairly the financial position of Lewes Town Council at 31<sup>st</sup> March 2017, and its income & expenditure for the year ended 31<sup>st</sup> March 2017.

Signed:.....

Date:.....

**Steven Brigden**

**Town Clerk and Responsible Finance Officer**

## **LEWES TOWN COUNCIL**

### **Statement of Internal Control**

**Year ended 31<sup>st</sup> March 2017**

#### **Scope and Responsibility**

Lewes Town Council (hereafter called “the Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council’s functions and which includes arrangements for the management of risk.

#### **Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively and economically.

#### **The Internal Control Environment**

The Council already has or is putting into place systems which:

- Establish and monitor the achievements of the Council’s objectives
- Facilitate policy and decision making
- Ensure compliance with established policies, procedures, laws and regulations
- Identify, assess and manage the risks to the Council, including how risk management is embedded in the activity of the Council, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their role
- Control the financial management of the Council and the reporting of financial information

## LEWES TOWN COUNCIL

### Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control, and of its arrangements for internal audit.

The review of the effectiveness of the system of internal control is informed by the work of the internal auditor and the executive officers within the Council who have responsibility for the development and maintenance of the internal control environment, and also any comments made by the external auditor or other review agencies and inspectorates.

Our review of the effectiveness of the system of internal control is completed by:

- The work of officers within the Council
- Routine oversight by our Audit & Governance Panel
- The work of the internal auditor
- The external auditors in their annual audit report

We have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the executive officers, and plan to address any weaknesses and strive for continuous improvement of the systems in place.

We have reviewed the effectiveness of our Internal Audit operations, and have taken account of guidance issued in this regard by the Joint Panel on Accounting Guidance (JPAG). JPAG is responsible for issuing proper practices in relation to the accounts of “smaller authorities” as defined in the Accounts and Audit Regulations. Membership consists of sector representatives from the Society of Local Council Clerks, the National Association of Local Councils and the Association of Drainage Authorities, together with stakeholder partners representing the Department of Communities and Local Government, the Department of Environment, Food and Rural Affairs, the Chartered Institute of Public Finance and Accountancy, the National Audit Office, and a representative of the external audit firms appointed to smaller authorities.

We are satisfied on all counts that our arrangements are effective and meet expected standards.

Signed .....  
Cllr Michael Chartier  
Mayor of Lewes 2017/18

Signed .....  
Steve Brigden  
Town Clerk & Responsible Financial Officer

Date .....

Date .....

**Lewes Town Council**  
**Income and Expenditure Account**  
**for the Year ended 31st March 2017**

2016 Nett Expenditure	Cost Centres	Notes	2017 Gross Expenditure	2017 Gross Income	2017 Nett Expenditure
93,443	Corporate Admin		97,195	1,581	95,614
118,927	Civic Admin		104,428	8,329	96,099
47,114	Mayoralty		55,767	8,077	47,690
371,127	Town Hall	17	421,352	94,516	326,836
85,641	All Saints		160,714	58,634	102,080
7,138	Malling Community Centre	18	39,809	18,736	21,074
41,402	Pells		39,925	186	39,739
93,282	Open Spaces		121,845	1,077	120,768
26,523	Allotments		32,332	4,391	27,941
16,400	Election Expenses		11,484		11,484
35,104	Section 137 Expenditure	5	35,122		35,122
-34,519	Other Grants and Sponsorship	16	40,312	53,128	(12,816)
<hr/>			<hr/>	<hr/>	<hr/>
901,582	COST OF SERVICES		1,160,285	248,655	911,629
(780,496)	Precept Received			860,072	(860,072)
(226)	Interest and Investment Income			226	(226)
10,056	Loan Repayment		10,056		10,056
30,528	VAT Unclaimable	14	30,948		30,948
<hr/>			<hr/>	<hr/>	<hr/>
161,444			1,201,289	1,108,953	92,336
(986,556)	Balance Brought Forward				(825,112)
<hr/>					<hr/>
(825,112)	Balance Carried Forward				(732,776)
<hr/>					<hr/>
702,236	Earmarked Reserve Balance B/F	20		586,409	
180,130	Transferred from General Fund			201,330	
295,957	Transferred to General Fund			189,027	
	Earmarked Reserve Balance C/F				598,712
284,320	General Fund Balance Brought Forward			238,703	
(45,617)	Surplus/(Deficit) for the Year			(104,639)	
	General Fund Balance C/F				134,064
<hr/>					<hr/>
825,112	Balance Carried Forward				732,776
<hr/>					<hr/>

NOTE: Totals may be affected by "rounding" convention

**Lewes Town Council  
Balance Sheet  
as at 31st March 2017**

Year Ended 31 March 2016		Notes	Year Ended 31 March 2017
£	<b>CURRENT ASSETS</b>		£
4,563	Stock	8	5,905
9,557	Debtors	9	12,723
	Payment in Advance		
52,071	VAT Recoverable	14	38,439
784,052	Cash in Hand		781,728
<u>850,243</u>	<b>TOTAL ASSETS</b>		<u>838,794</u>
	<b>CURRENT LIABILITIES</b>		
23,309	Creditors	10	10,019
1,821	Receipts in Advance	10	30,999
	Accruals	10	65,000
0	VAT Payable		
<u>25,130</u>	<b>TOTAL LIABILITIES</b>		<u>106,018</u>
	<b>NETT ASSETS</b>		
<u>825,112</u>			<u>732,776</u>
	<b>Represented by:</b>	20	
238,703	General Fund		134,064
586,409	Earmarked funds		598,712
<u>825,112</u>			<u>732,776</u>

.....  
Cllr Michael Chartier  
Mayor 2017/18

Date:.....

.....  
Steve Brigden  
Responsible Finance Officer

Date:.....

**Lewes Town Council****Notes to the Accounts****Year Ended 31 March 2017****1. Principal Accounting Policies****Accounting Convention**

The accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in Great Britain (the Code), which is recognised by statute as representing proper accounting practices.

**Debtors and Creditors**

The revenue accounts of the Council are maintained on an income and expenditure basis in accordance with the Code. 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. Exceptions to this are payment of insurance premiums and regular quarterly accounts (e.g. telephones, electricity). This policy is applied consistently each year, and therefore, it will not have a material effect on the year's accounts or on the Council's annual budget.

**Leases**

The Council has no commitments under finance leases. Rentals payable under operating leases are charged to revenue on an accruals basis.

**Earmarked Reserves**

Earmarked Reserves are a means of building up funds to meet known or predicted liabilities in the coming years.

<b>2. Interest and Investment Income</b>	<b>2016</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest Income – General Funds	226	226

**3. Agency Work**

During the year the Council did not undertake any agency work on behalf of other authorities or commission any agency work to be performed by other authorities.

**4. Publicity**

Section 5 of the Local Government Act 1986 requires the Council to disclose expenditure on publicity. Details are shown under the following broad categories:

	<b>2016</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Recruitment Advertising	0	0
Marketing Advertising	447	200
Other Publicity	1,945	1,850
Community Cinema operating advertisements	1,410	1,520
<b>TOTAL</b>	<b>3,802</b>	<b>3,570</b>

**Lewes Town Council****Notes to the Accounts****Year Ended 31 March 2017****5. S.137 Expenditure**

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend up to £7.42 per head (2016:£7.36) on the electoral roll in this year for the benefit of people in its area on activities or projects *not specifically authorised by other powers*.

Expenditure was made under this power in 2016/17 for the following purposes:

	2016	2017
	£	£
<b>Grants to</b>		
Lewes Town Partnership	7,000	3,500
East Sussex Youthbank	4,000	4,000
Malling Tenants & Residents Association	0	610
Kent; Sussex & Surrey Air Ambulance Trust	0	250
Now! Charity Group	0	1,350
Circles Network	0	750
PATINA	2,000	1,250
iContact	0	1,200
St John's Sub-Castro	0	600
RELATE counselling	0	750
St Peter & St James Hospice	0	1,000
Kingston Rd & Cranedown Residents Association	4,000	0
Chapel Café & foodbank	850	0
Sussex Community Development Association	1,000	0
Youth Focus for Lewes	960	0
<b>TOTAL</b>	<b>19,810</b>	<b>15,260</b>

Grants to bodies such as the Citizens Advice Bureau are made under other specific legal powers and are not included in the above figures.

**General Power of Competence**

*Minute extract:* Council meeting of 21<sup>st</sup> May 2015

Ref **FC2015/14.1** "Lewes Town Council declares that it meets the conditions, prescribed in Article 2 paragraph 2 of The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012 (SI2012/965), and hereby resolves to adopt the General Power of Competence as provided in the Localism Act 2011 ss1-8."

*This declaration has effect until the Council's Annual Meeting 2019.*

**6. Employees and Members**

The average weekly number of full-time equivalent employees during the year was ELEVEN. The establishment is 14 (8 full-time; 6 part-time).

The government's Code of Recommended Practice for Local Authorities on Data Transparency promotes the following statement of senior employees' remuneration:

	2016	2017
	£	£
Chief Executive Officer/Head of Paid Service (Town Clerk)		
Gross salary received	62,827	63,933
Employer's contribution to LGPS	12,942	13,387
This represents a multiple of 2.89 compared with the median of all salaries		
Members' Allowances paid in the year	4,060	3,310

**Lewes Town Council****Notes to the Accounts****Year Ended 31 March 2017****7. Auditors remuneration**

Fees due to Littlejohn LLP, external auditors, were	£2,000	(2016: £2,000).
Fees paid to Mulberry & Co, internal auditors, were	£425	(2016: £907)

**8. Stock**

	2016	2017
	£	£
Resale & civic items; protective clothing; materials	2,441	2,291
Town Hall consumable stores	472	451
All Saints consumable stores	461	741
All saints resale stock	206	157
Stationery	*983	*2,265
TOTAL	4,563	5,905

\* includes stock pre-printed items, at valuation

**9. Debtors**

	2016	2017
	£	£
Trade debtors (No debts were more than 3 months old)	9,557	12,723
VAT (see Note 16)	52,071	38,439
TOTAL	61,628	51,162

**10. Creditors and Accrued Expenses**

	2016	2017
	£	£
Creditors	23,309	10,019
Receipts in Advance <sup>1</sup>	1,821	30,999
Accruals <sup>2</sup>	0	65,000
TOTAL	25,130	106,018

1 includes £28,000 balance of grant received from Heritage Lottery Fund ('Our Pictures' project)

2 provides for £40,000 committed to Lewes District Council pending completion of devolved ownership of Malling Recreation Ground (*iro LDC Special Expenses charge not levied 2016/17*) and £25,000 committed to ESCC *iro* pedestrian crossing, Church Lane, Malling

**11. Operating Lease Commitments**

The Council had the following annual commitments under operating leases at 31 March.

	2016	2017
	£	£
Photocopier and doormats	2,271	2,344

**12. Loans**

	2016	2017
	£	£
Public Works Loan Board (1999 – 2023)	66,933	59,810

This loan was taken out on 18<sup>th</sup> January 1999 for works to the Town Hall, in the sum of £150,000 at fixed interest rate of 4.5%pa, with instalments payable half-yearly over 25 years (terms as PWLB Circular No116).

## Lewes Town Council

### Notes to the Accounts

#### Year Ended 31 March 2017

#### 13. Pensions

For the year ended 31 March 2017 the Council's contributions equalled 21.1% of employees' pensionable pay (2015/2016 20.6%). Local Government Pension Scheme administrators have notified employer contribution rates for the following year as: 2017/18: 17.4% + £14,000 (*revised valuation principle by fund actuaries*).

#### 14. Value Added Tax (VAT)

Subject to certain conditions, local councils may treat as "non-business" for purposes of VAT some activities that would normally be "business", even when charges are made (*Value Added Tax Act 1994 s33*). It is possible to agree a "partial-exemption" formula, whereby a proportion of an activity can be defined as "non-business" eg a building containing both public halls and the council's own offices may be agreed to offer a percentage of its floor area as space available for exempt uses, and the rest defined as its business base. Expenditure and VAT paid on operation of the building can then be apportioned.

VAT paid (input tax) in relation to exempt activities can be reclaimed provided that the total amount does not exceed £7,500 for the year (average £625 per month), AND represents less than 5% of the total VAT paid on *all* goods/services in the year. These values are unchanged since 1992.

#### 15. Contingent Liabilities

The Council is not aware of any contingent liabilities at the date of these accounts. It has accounted-for accrued commitments (*see note 10*).

#### 16. Council Tax Reduction Support Grant

Government changes have given Principal councils freedoms to remove/alter existing exemptions and discounts from council tax.

The Government decided that Parish tax bases would be lowered to reflect new local council tax support scheme discounts.

The funding provided to Billing Authorities includes a specified amount attributable to parish areas. The Government has made it clear that this has been provided with the expectation that they will work with local parishes and use this to mitigate the inflationary effect of the tax base reduction on their notional Band 'D' equivalent charge. Not all Billing Authorities in England have done this, but it is expected that the indicative funding that Lewes District Council will receive for passing-on to parishes will be transferred as a Council Tax Reduction Support Grant (CTRSG).

Lewes District Council has made/committed the following payments of this grant:

2013/14: £89,271 2014/15: £73,534 2015/16: £62,504 **2016/17: £53,128** 2017/18 £45,158

The programmed reduction in the amount of CTRSG will increase the calculated Band'D' equivalent value, regardless of any change in Lewes Town Council's budget requirement.

#### 17. Town Hall

In 2015/16 the Council commissioned a major repair/conservation programme for the Town Hall; a heritage-listed building (Grade 2), commencing with the South elevation - the High Street façade. This entailed substantial repairs to ornamental brickwork and terracotta mouldings; stone work; window frames and other woodwork, and re-laying of roof coverings. This work continues as the roof coverings of both the assembly Room and Corn Exchange are replaced. Works are funded from accrued balances in Earmarked Reserves (*see note 20*) and the General Fund.

**Lewes Town Council**

**Notes to the Accounts**

**Year Ended 31 March 2017**

**18. Malling Community Centre**

Lewes Town Council intends to regenerate the Malling (Bridgeview) Community Centre and create a new mixed use community space. This will involve major alteration and refurbishment works. The newly renovated building will offer a vibrant community space, with links to outdoor facilities, spaces for public hire, sports changing rooms, and social area/café. Architects are preparing design outlines, taking account of the many comments and responses to earlier consultations from current and prospective users. When these designs are presented we hope that many of those stakeholders will be able to assist Councillors in making their choice.

Only when a design is selected will we be able to assess what grants may be available to assist in enhancing particular elements of the scheme and to plan the final stages of the programme. We will then invite tenders from building contractors and the actual timing of the works will depend upon the successful bidder (who will no doubt need to take account of other commitments), and the progress of an application for planning consent. Works are expected cost in the order of £430,000, which will be funded from accrued balances in Earmarked Reserves (*see note 19*) and will be supplemented by appropriate grant applications and/or approved borrowing.

Lewes Town Council  
Notes to the Accounts  
31 March 2017

## 19 Information on Assets Held

	31/03/2016	Movement in the Year Acquisition s	31/03/2017	Method of Valuation
	£	£	£	
<b>Operational Land and Buildings</b>				
Lewes Town Hall	1,925,926	0	1,925,926	*
All Saints Centre	362,727	0	362,727	*
Pells Swimming Pool	131,250	0	131,250	*
<b>Non-Operational Land and Buildings</b>				
Malling Community Centre	85,000	0	85,000	**
<b>Equipment</b>				
Computer Equipment	10,948	0	10,948	*
Franking Machine	472	0	472	*
<b>Infrastructure Assets</b>				
Bus Shelters	42,193	0	42,193	*
Town Seats and Benches	21,707	0	21,707	*
Waste Bins	3,027	0	3,027	*
Town Signs	5,877	0	5,877	*
<b>Community Assets</b>				
Lewes Priory site	24,000	0	24,000	**
The Pells Land	15,000	0	15,000	**
Allotments	26,500	0	26,500	**
The Town Plate	237,790	0	237,790	**
Works of Art	252,500	0	252,500	**
St. Michael's Town Clock	21,000	0	21,000	**
Civic Robes	35,670	0	35,670	**
Antique House Clock	2,370	0	2,370	**
Antique Books	2,100	0	2,100	**
War Memorial	1	0	1	***
Land at Landport Bottom (50% share with Lewes District Council)	1	0	1	***
Love Lane Tree Belt	1	0	1	***
Tom Paine Statue, Library terrace [private gift to town]	30,000	0	30,000	****
	<b>3,206,060</b>	<b>0</b>	<b>3,236,060</b>	

\* Valued at open market value less depreciation prior to 31/3/05 (depreciation not charged subsequently, due to change in local councils' statutory accounting regime)

\*\* Valued at open market value at 1/4/2004

\*\*\* Nominal value/community asset

\*\*\*\* Valuation for insurance purposes

Assets are insured at replacement cost values, except the Priory and War Memorial, which are insured on a first-loss basis.

**Lewes Town Council**  
**Notes to the Accounts**  
**31 March 2017**

**20 Movement in reserves**

	Opening Balance	Transfer from General Fund	Transfer to General Fund	Total
	£	£	£	£
<b>Earmarked Reserves</b>				
<b>R1</b> Town Hall	0	79,000	79,000	0
<b>R2</b> All Saints Centre	44,800		10,000	34,800
<b>R3</b> Open Spaces	0	3,000	0	3,000
<b>R4</b> Lewes Priory	3,192	280	0	3,472
<b>R5</b> Pells Lake	11,929	0	0	11,929
<b>R6</b> The Pells	100,639	0	0	100,639
<b>R7</b> Commemorations Fund	14,005	2,000	4,477	11,528
<b>R8</b> Environment Enhancement Fund	23,355	2,000	0	25,355
<b>R9</b> Town Clocks	2,100	300	0	2,400
<b>R10</b> Malling Community Centre	233,000	30,000	200	262,800
<b>R11</b> <i>Placeholder for future projects</i>	0	0	0	0
<b>R12</b> Neighbourhood road-salt bin grants fund	2,583	0	0	2,583
<b>R13</b> Election costs reserve	0	6,500	6,500	0
<b>R14</b> Devolution process	87,455	38,200	45,000	80,655
<b>R15</b> ICT Replacement	5,000	750		5,750
<b>Projects committed or in progress</b>				
<b>P1</b> Our Pictures Project	0	9,000	1,750	7,250
<b>P2</b> Historic plaques programme (with FoL)	960	300	1,110	150
<b>P3</b> Magic Circle (with FoL)	7,000	0	0	7,000
<b>P4</b> <i>Placeholder for future projects</i>	0	0	0	0
<b>P5</b> Neighbourhood Plan	12,891	5,000	10,490	7,401
<b>P6</b> <i>Placeholder for future projects</i>	0	0	0	0
<b>P7</b> <i>Placeholder for future projects</i>	0	0	0	0
<b>P8</b> Allotments improvements	10,000	0	5,500	4,500
<b>P9</b> Pedestrian crossings (contribn to ESCC)	27,500	25,000	25,000	27,500
	586,409	201,330	189,027	598,712

Movements this year relate to:

Budgeted contributions from income to reserve funds, and use of those reserves for their defined purpose.

**General Fund\***

	Opening Balance	Surplus /Deficit	Closing Balance
	£	£	£
Brought Forward	238,703	(104,639)	134,064

\* The "General Fund" is the amount not committed to projects or earmarked reserves, which permits day-to-day liquidity and prudent allowance for unforeseeable demands.

It is maintained at a target level roughly equal to 50% of gross annual expenditure, although may fluctuate.

\*\* Accounts marked have no further purpose, and balances have been re-appropriated to the General Fund.

**Agenda Item No:** 9 **Report No:** FC003/2017  
**Report Title:** Corporate Risk Assessment 2016-17  
**Report To:** Full Council **Date:** 15<sup>th</sup> June 2017  
**Report By:** S Brigden, Town Clerk

**Purpose of Report:** To apprise members of the results of the statutory annual risk assessment carried out for the Council's activities and functions for the 2017-18 municipal year.

**Recommendation(s):**

- 1 That this report, and the summary table of assessed risks appended to it, be noted.

---

**Information:**

1 It is a requirement of the audit and corporate governance regime for parish councils that an annual appraisal is carried out, of risks arising from council activities. This extends the familiar and long-established concept of physical Health & Safety oriented risks to include such things as the likely effect of a failure to observe a statutory deadline, or the omission of important clauses in contracts.

2 The Council utilizes a very simple computer software package (*DMH Solutions LCRS system*) designed specifically for the parish council sector. This prompts an evaluation of all the required elements, and allows the addition of local, specialized, risk elements unique to an individual Council. This is the latest version available, covering all known and anticipated legislation affecting parish council risk.

The principle of assessment is to award a score for the LIKELIHOOD of a risk element event, *given current controls and systems*, and a score representing the likely IMPACT or EFFECT on the Council should there be an occurrence of the event or failure. The system effectively multiplies these factors and highlights high-risk elements for inclusion in a risk-reduction action plan. For example:

*Example 1* an **intangible** risk might be associated with the statutory requirements for the administration of Council meetings (agenda timetable, press and public access, minute-keeping etc.) - failure to meet any or all the legal requirements is unlikely (score = LOW likelihood of event) and the probable effect would be (relatively) minor; probably limited to public criticism, although could result in a legal reprimand and/or "qualified" audit report (score = LOW impact on the business). This element would be considered to be CONTROLLED, *ie* we are aware of the risk and run the organization's day-to-day functions in such a way as to minimize or avoid it.

*Example 2* a **tangible** risk exists with the provision of amenities such as bus-shelters and street furniture – this gives rise to an almost constant threat of vandalism and the associated repair costs, and street seating carries the risk of liability claims if unrepaired faults result in damage to clothing or personal injury to a member of the public. Example Score = MEDIUM/HIGH likelihood of an event and MEDIUM impact on business (mainly financial, but includes the disruption of organizing and/or effecting repairs). This element would be identified as UNCONTROLLED, and a plan demanded to address it. Such risks are minimized by a programme of scheduled inspections by the Town Ranger; a policy to immediately repair or remove potentially dangerous items; adequate budget provision to address regular repair costs; appropriate public liability insurance provision *etc.*... and the risk becomes CONTROLLED.

3 **This year's review** has taken account of **276** risk elements within **37** functions or areas of operation. Not all are relevant to LTC, but scores have been awarded to **237** risk elements, and there are **5** salient points, all related to the third-party management arrangements for Mallings Community Centre. Mitigation is effected by close contact with the managing agents, Mallings Community Association, and appropriate insurance.

A summary report extract is appended; the full report (68 pages) is available on request to TC.

S Brigden 2<sup>nd</sup> June 2017



# LCRS 6. Overall Summary

## LEWES Town Council Assessment for year 2017 To 2018

Area	Duty	No of risks	Number scored	Avg Score	No of uncontrolled Risks (>3)	Your action plan rank
Allotments	Powers to provide allotments Duty to provide allotment gardens if demand unsatisfied	19	19	1.8	0	<input type="text"/>
Bar Services		8	8	1.4	0	<input type="text"/>
Bonfire Celebrations	Power to provide	4	4	2.0	0	<input type="text"/>
Bus Services	Power to provide transport schemes	2	2	1.0	0	<input type="text"/>
Bus Shelters	Power to provide and maintain shelters	7	6	1.3	0	<input type="text"/>
Cemeteries/Churchyards	Power to provide	18	7	1.7	0	<input type="text"/>
Clocks	Power to provide public clocks	5	5	1.6	0	<input type="text"/>
Code of Conduct	Duty to adopt a code of conduct	1	1	2.0	0	<input type="text"/>
Community Centres	Power to provide and equip buildings for use of clubs having athletic, social or educational objectives	16	16	2.6	5	<input type="text"/>
Computing	Power to facilitate discharge of any function	3	3	1.7	0	<input type="text"/>
Council Meetings		4	4	2.0	0	<input type="text"/>
Council Property and Documents	Duty to disclose documents and to adopt publication scheme	4	4	2.0	0	<input type="text"/>
Crime Prevention - CCTV	Powers to spend money on various crime prevention measures	10	2	1.5	0	<input type="text"/>
Data Protection	Duty of Notification and Duty to Disclose (subject access)	1	1	2.0	0	<input type="text"/>
Employment of Staff	Duty to Appoint	7	7	2.1	0	<input type="text"/>
Entertainment and the arts	Provision of entertainment and support of the arts	17	17	2.0	0	<input type="text"/>
Financial Management	Duty to ensure responsibility for financial affairs	11	11	2.0	0	<input type="text"/>
Gifts	Power to accept	1	1	1.0	0	<input type="text"/>
Investments	Power to participate in schemes of collective investment	4	4	1.8	0	<input type="text"/>
Land	Power to acquire by agreement, to appropriate, to dispose of land Power to accept gifts of land	13	13	1.7	0	<input type="text"/>
Markets	Power to provide	18	13	1.0	0	<input type="text"/>



# LCRS 6. Overall Summary

## LEWES Town Council Assessment for year 2017 To 2018

Area	Duty	No of risks	Number scored	Avg Score	No of uncontrolled Risks (>3)	Your action plan rank
Meetings of the Council	Duty to meet	5	5	1.2	0	<input type="text"/>
Newsletters	Power to provide from 'free resource'	7	6	1.3	0	<input type="text"/>
Nuisances	Power to deal with offensive ditches	1	1	2.0	0	<input type="text"/>
Open spaces	Power to acquire land and maintain	11	11	1.7	0	<input type="text"/>
Planning & Development Contr	Rights of consultation	1	1	1.0	0	<input type="text"/>
Play Areas	Power to provide	4	4	2.0	0	<input type="text"/>
Provision of Office Accommod	Power to provide	5	5	1.6	0	<input type="text"/>
Provision of Website/Internet	Power to provide from 'free resource'	2	2	1.5	0	<input type="text"/>
Public buildings and Village ha	Power to provide buildings for offices and for public meetings and assemblies	16	15	1.7	0	<input type="text"/>
Seats		3	3	1.7	0	<input type="text"/>
Shelters & Seats	Power to provide	3	3	1.3	0	<input type="text"/>
Swimming Pool	Power to provide	16	8	2.0	0	<input type="text"/>
Town and Country Planning	Right to be notified of planning applications	3	3	1.0	0	<input type="text"/>
Village Signs	Power to erect (with Highway Authority approval)	4	4	1.0	0	<input type="text"/>
War Memorials	Power to maintain, repair, protect and adapt war memorials	3	3	2.0	0	<input type="text"/>
Web Sites		19	15	1.1	0	<input type="text"/>
<i>Overall totals/ scores</i>		<b>276</b>	<b>237</b>	<b>1.7</b>	<b>5</b>	

**Agenda Item No:** 10 **Report No:** FC004/2017  
**Report Title:** Review of Councillors individual duties  
**Report To:** Full Council **Date:** 15<sup>th</sup> June 2017  
**Report By:** S Brigden, Town Clerk

**Purpose of Report:** To advise changes to allotted individual duties requested by Members.

**Recommendation(s):**

- 1 That changes to allotment of duties to individual Members be approved for the remainder of the 2017/18 municipal year.
- 

**Information:**

Duties were allocated to individual Members at the Annual Meeting on 18<sup>th</sup> May 2017. Since these appointments were made, some Members have requested changes.

Latest requests, the effects of which are shown on the attached table(s), are:

*Members Individual Duties:*

**Planning Committee** Cllr Elliott resigns from this appointment.

This leaves eight Members appointed.

Council has not indicated a complement for this committee; a replacement may be appointed if desired.

**Grants Panel** Cllr Watts resigns from this appointment

Nominations are invited for a seat on the panel.

*Appointments to Outside Bodies:*

No changes

S Brigden  
5<sup>th</sup> June 2017

# Councillors individual duties 2017/18

Ref: Council 18<sup>th</sup> May 2017 – FC2017/10.1



LEWES  
TOWN  
COUNCIL

## Functional panels etc

## Currently-active Working Parties

		Bank Signatory	Grants panel	Planning Committee	Audit Panel	Personnel Panel	Pells Pool CA liaison		Finance	ASC Steering Group	Transport Issues	Comm'n's	Buildings Refurb'nt	Energy Efficiency	Communic'ns			
Annabella	ASHBY	✓		✓		✓									✓			
Janet	BAAH			✓														
Adam	BARKER				✓	✓												
Dr Amanda	BOLT					✓	✓			✓								
Richard	BURROWS	✓	✓			✓				✓								
Stephen	CATLIN (Wischhusen)			✓	✓					✓	✓	✓	✓		✓			
Michael	CHARTIER	✓				✓			✓	✓		✓	✓					
Will	ELLIOTT			✗	✓						✓				✓			
Huw	JONES		✓				✓		✓		✓				✓			
John	LAMB			✓	✓		✓				✓		✓					
Imogen	MAKEPEACE										✓	✓			✓			
Dr Graham	MAYHEW					✓			✓			✓	✓					
Merlin	MILNER			✓	✓		✓			✓	✓		✓	✓				
Roger	MURRAY	✓		✓			✓		✓			✓	✓	✓				
Susan	MURRAY	✓	✓	✓					✓	✓	✓		✓	✓	✓			
Ruth	O'KEEFFE	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓			
Tony	ROWELL	✓			✓						✓		✓	✓	✓			
Esther	WATTS		✗				✓				✓			✓	✓			

## NOTICE OF MOTIONS PROPOSED

Notice has been received, as described below, of motions which are proposed for consideration by Council at its meeting on Thursday 15<sup>th</sup> June 2017

**NOM 006/2017** received from Cllrs S Murray & S Catlin on 30<sup>th</sup> May 2015, in the following terms:

### **It is proposed that:**

Lewes Town Council resolves to:-

- 1 Support an annual event to observe the International Day of Peace on 21st September.
- 2 Ask the Town Council's Commemorations Committee to look at the details of such an event, which could include an opportunity to lay white poppies at the war memorial, to suggest a format for the first such annual event and to promote it to the wider community.

### **Supporting Information:**

#### *International Day of Peace*

While it is right to support the many events and dates associated with the First World War, it is equally important to recognise the need to promote peace and peaceful solutions to the world's problems.

The International Day of Peace ("Peace Day") is observed around the world each year on 21<sup>st</sup> September. Established in 1981 by unanimous United Nations resolution 36/37, the General Assembly has declared this as a day devoted to "commemorating and strengthening the ideals of peace both within and among all nations and peoples." Furthering the Day's mission, the General Assembly augmented the original resolution in 2001, fixing the date on 21 September. Peace Day provides a globally shared date for all humanity to commit to Peace above all differences and to contribute to building a Culture of Peace.

The theme of the 2017 Day of Peace is "Together for Peace: Respect, Safety and Dignity For All. This is based on the TOGETHER global campaign promoting respect, safety and dignity for everyone forced to flee their homes. TOGETHER brings together the organizations of the United Nations System, the 193 member countries of the United Nations, the private sector, civil society, academic institutions and individual citizens in a global partnership in support of diversity, non-discrimination and acceptance of refugees and migrants.

People in cities, communities and villages worldwide have engaged in the International Day of Peace in diverse and meaningful ways. Some of the many Peace Day activities that have taken place across the globe include:

- Minute of silence at 12 noon (all timezones)
- Peace education events
- Intercultural and interfaith dialogues
- Workshops on the UN Peace Day theme
- Meditation and prayer
- Planting peace poles
- Community gatherings
- Vigils
- Concerts and festivals
- Soccer/football matches in the spirit of peace
- Service to others
- Feasts for Peace
- Writing peace poetry
- Yoga
- Marches, parades and flag ceremonies
- Public programs with government officials
- Engaging youth in peace-building activities.

Cllrs S Murray and S Catlin  
30<sup>th</sup> May 2017